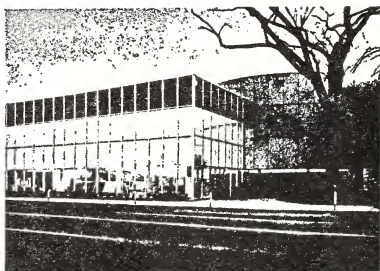


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TWENTY-SEVENTH BIENNIAL REPORT
OF THE
STATE HIGHWAY COMMISSION
OF
NORTH CAROLINA

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Public Relations Officer

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NORTH CAROLINA STATE HIGHWAY COMMISSION

Raleigh, North Carolina

FISCAL YEAR ENDED JUNE 30, 1967

FISCAL YEAR ENDED JUNE 30, 1968

J. M. HUNT, JR.

MEMBERS OF THE COMMISSION

J. B. BRAME

JOHN F. MCNAIR, III

GEORGE BROADRICK

CARL MEARES

W. B. GARRISON

ASHLEY M. MURPHY

THOMAS S. HARRINGTON

CARL RENFRO

GEORGE L. HUNDLEY

W. CURTIS RUSS

W. W. EXUM

RAYMOND SMITH

DON MATTHEWS, JR.

JAMES G. STIKELEATHER

W. F. BABCOCK, *Highway Administrator*

C. W. LEE, *Chief Engineer*

GEORGE S. WILLOUGHBY, JR., *Secondary Roads Officer*

WILLIAM M. INGRAM, *Controller*



Robert W. Scott, Governor

LETTER OF TRANSMITTAL

Raleigh, N. C.
January 1, 1969

THE HONORABLE ROBERT W. SCOTT
Governor, State of North Carolina

Dear Governor Scott:

In accordance with the provisions of Section 23, Chapter 2 of the Acts of the General Assembly of 1921 (GS 136-12) we respectfully submit herewith the Twenty-Seventh Biennial Report of the State Highway Commission of North Carolina.

Sincerely,

J. M. HUNT, JR., *Chairman*

W. F. BARCOCK, *Administrator*

"Better roads mean better farms, better dwellings, better schools, better churches, better society, more time for study and recreation, less for hardship and drudgery, and consequently more prosperity, sunshine and happiness."

—ROBERT L. DOUGHTON

*former U. S. Congressman
from Alleghany County*

THE BIENNIUM IN BRIEF



J. M. Hunt, Jr., Chairman

North Carolina's highway program continued at a record pace during the past biennium with the closing of interstate "missing links", implementation of all phases of its \$300-million road bond program, the expansion of its safety program, and the creation and appointment of a "blue-ribbon" Highway Study Commission by Governor Dan K. Moore highlighting the period.

The State had completed and opened to traffic a total of 422-miles of its 770-mile Interstate System by June 30, 1968. Sections opened included I-95 from Weldon to Gold Rock north of Rocky Mount in Eastern North Carolina. This opening also included the connector constructed to near interstate standards between I-95 at Gold Rock and US-301 at Battleboro. Also completed and opened was the segment of I-85 at Greensboro once known as "Death Valley" and I-77 south of Statesville. An additional 130-miles was under construction at the close of the biennium including I-85 north of Durham, I-85 north of Charlotte, I-40 be-

tween Winston-Salem and Statesville, I-40 in the rugged Pigeon River Gorge and I-26 south of Asheville. Right of way was being acquired and designs prepared on an additional 217-miles.

In the period July 1, 1967 to June 30, 1968, total contract awards came to \$141,852,387.07. During the same period, expenditures for all purposes from the Highway Fund amounted to \$331,959,238.16.

Through June 30, 1968, projects to be financed by funds from the \$300-million road bond issue of 1965 had been authorized having a total ultimate value of some \$283-million: \$145-million for Primary projects, \$70-million for Secondary projects and \$68-million for Urban projects.

As part of its expanding highway safety program, the Highway Commission in May of 1968 approved a comprehensive inventory of hazardous locations on its urban highway system. This supplements a program instituted in 1966 calling for the upgrading of 1560 separate hazardous locations on the rural highway system. The rural portion of the overall



W. F. Babcock, Highway Administrator

program was already being implemented at the close of the biennium.

In January of 1968 the Highway Commission moved into its new six-story annex which houses administrative offices and provides much needed additional space for the commission's headquarters operations including location, design, right of way acquisition, planning and research.

Despite the progress of the State

in meeting many of its most pressing current highway needs, North Carolina, like most of the other 50 states, was beginning to feel the pinch of meeting ever growing needs with available funds. In this light, Governor Dan K. Moore on December 1, 1967, appointed a special study commission of 15-members to study the State's highway program, its needs and its future direction.

CONTRACTING ACTIVITY

The construction of new and improved highway mileage in North Carolina climbed to new all time high levels during the 1967-1968 biennium. The award of contracts for construction on the interstate and primary systems, on the urban highway system, and the growing tendency of the Highway Commission to award contracts for improvements to many miles of the secondary road system worked to push total contract award values to new records.

Generally, contracting activities were up because of the increased tempo of contract awards in all phases of the \$300-million road bond program, new emphasis being placed on closing the so-called "missing links" on the interstate system, construction of the Appalachian Developmental Highway System and efforts by the commission to add to its non-interstate rural four-laned highway mileage.

During the calendar year 1966 the Highway Commission awarded contracts for highway construction totaling some \$121.5-million. The year before the total had reached only about \$56.5-million.

In the calendar year 1967 the total contract award figure rose to \$138-million, an increase of \$25.5-million over the preceding year and \$81.5-million more than the 1965 figure.



N. C. State Highway Commission shown here in first session held in new commission room, February, 1968. Beginning with Chairman J. M. Hunt, Jr. at rostrum and reading clockwise: W. F. Babcock, Highway Administrator; Bill Rose, Deputy Administrator; C. W. Lee, Chief Engineer; J. B. Brame, Commissioner, Durham; George Broadrick, Charlotte; W. W. Exum, Snow Hill; W. B. Garrison, Gastonia; T. S. Harrington, Eden; George Hundley, Thomasville; Don Matthews, Hamilton; Carl Meares, Fair Bluff; John McNair, III, Laurinburg; Ashley Murphy, Atkinson; Carl Renfro, Wilson; Curtis Russ, Waynesville; Raymond Smith (partially hidden) Mt. Airy; Jim Stikeleather, Jr., Asheville; Harrison Lewis, Deputy Attorney General, Highways; William Ingram, Controller; George Willoughby, Secondary Roads Officer.

HIGHWAY REVENUES AND EXPENDITURES

“Not one cent of your property tax dollar goes for the construction or maintenance of roads in your county or state. Gasoline taxes, license tag and vehicle registration fees pay for roads in North Carolina. Property taxes support education, welfare, police, fire and other services.”

This message contained on a bright orange card and enclosed in many of the mailings of the Highway Commission spells out quite clearly the state's traditional approach to the financing of governmental operations.

In North Carolina, as in a majority of the other states, highway users bear the cost of construction and maintenance of the highway system through monies flowing into the Highway Fund from various highway-related tax sources.

The primary sources of Highway Fund revenues are the seven cents per gallon motor fuel tax, motor vehicle license and registration fees, fuel inspection fees, and some lesser sources.

The motor fuel tax was made six cents per gallon in 1931 when the state assumed responsibility for construction and maintenance of all secondary roads, was raised to seven cents per gallon in 1949 to pay for the \$200-million secondary road bond issue, continued in 1965 and pledged to retire the \$300-million road bond issue approved that year.

Early in its history, North Carolina separated highway revenues and those paid into the General Fund for the support of other governmental agencies and operations. For 35 years no property taxes have been paid into the Highway Fund to be used for current Highway Commission operations. Nor has the General Fund aided the Highway Fund in any way. On the other hand, there are several agencies which receive contributions from the Highway Fund. Among them are the Department of Motor Vehicles for the Highway Patrol, the State Board of Education for Driver Education programs, the Department of Agriculture for Fuel Inspection, and the State Utilities Commission.

In addition, since 1951 with the passage of the so-called “Powell Bill”, the Highway Commission has returned one-half of one-cent of the basic six cents per gallon motor fuel tax to the municipalities for use on improvement of non-state highway system streets.

North Carolina, along with the other states, receives allocations from the Highway Trust Fund created by the Federal Highway Act of 1956. From this pool of Federal funds the state receives appropriations which are allocated on a matching basis.

The Federal-aid primary, secondary and urban funds (called ABC funds in highway circles) are matched by the state on a 50-50 basis. Federal-aid Interstate funds are made available on

NORTH CAROLINA'S HIGHWAY DOLLAR

WHERE IT COMES FROM



MOTOR VEHICLE REVENUES

(fuel tax, license fees, etc.) 66 ¢

OTHER REVENUES 3 ¢

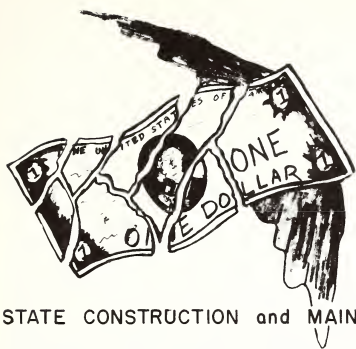
DEBT SERVICE 8 ¢

FEDERAL - AID

(Interstate, and others) 22 ¢

CITIES, TOWNS and

PROPERTY OWNERS PARTICIPATION 1 ¢



WHERE IT GOES

STATE CONSTRUCTION and MAINTENANCE, PRIMARY, SECONDARY, URBAN	29¢
FEDERAL-AID CONSTRUCTION	26¢
BOND EXPENDITURES	21¢
DEBT SERVICE	9¢
NON-HIGHWAY EXPENDITURES (contributions to other state agencies)	6¢
ADMINISTRATION, RETIREMENT, etc.	5¢
STATE-AID TO MUNICIPALITIES	3¢
PUBLIC SERVICE ROADS and CAPITAL IMPROVEMENTS	1¢

a 90 per cent Federal to 10 per cent state matching basis. These funds must be used for construction or reconstruction on the Interstate System only and cannot be used for maintenance.

Since 1965, North Carolina and another dozen states of the Appalachian Region have participated in the Appalachian Regional Development Commission. As part of an overall program designed to strengthen the economy and economic potential of the area a highway program has been developed. Funds for this federally-assisted highway system were originally planned for 70-30 matching basis, but because a good deal of the mileage in North Carolina has and will be constructed as four-lane roads the matching ratio is 50-50. Funds from the Federal government for this program can be spent only in the designated Appalachian area and only on the Appalachian Developmental Highway System.

The following is a summary statement of revenues and expenditures for the fiscal year ending June 30, 1968:

1967-68
REVENUES AND PARTICIPATIONS

Motor Vehicle Revenue	\$183,045,944.98
Other Revenue	9,436,069.57
Debt Service Fund	21,948,399.72
	<hr/>
Federal-Aid Participation	\$ 214,430,414.27
Cities and Towns Participation	\$ 60,242,607.81
Property Owner's Participation	1,064,201.59
	864,438.37
	<hr/>
	\$ 62,171,247.77
TOTAL REVENUE 1967-68	\$276,601,662.04

EXPENDITURES

Other State Agencies	\$ 21,278,712.11
Administration and Contributions to Retirement System	17,528,413.58
	<hr/>
	\$ 38,807,125.69
State Maintenance & Construction—Primary	\$ 33,118,020.28
State Maintenance & Construction—Secondary	58,084,447.39
State Maintenance & Construction—Urban	5,460,656.44
Public Service Roads	1,743,796.85
Capital Improvements	2,443,069.31
Federal Aid Construction	86,681,403.87
State Aid to Municipalities	9,959,054.78
	<hr/>
	\$197,490,448.92
Debt Service	\$ 31,459,768.05
	<hr/>
TOTAL CURRENT FUND EXPENDITURES	\$267,757,342.66
Bond Expenditures	\$ 69,793,341.73
	<hr/>
TOTAL EXPENDITURES	\$337,550,684.39

THE HIGHWAY SYSTEMS

During the biennium just concluded the total number of streets and highways in North Carolina rose to 84,219-miles. There are about 9,499 miles of streets under the jurisdiction of the various municipalities, 1,488-miles of park roads under the jurisdiction of either the state or federal government. All the rest, 73,232-miles, are the direct responsibility of the State Highway Commission, making this agency responsible for more highway mileage than any other single state agency in the nation.

The following is a brief look at the progress made on each of the systems for which the Highway Commission is responsible: The primary system, consisting of those highways having U. S. and N. C. numbers; the secondary system, the farm to market roads having the prefix S.R. and four digit numbers; and the Interstate System.



Dedication of I-95 at Gold Rock with Governor Dan Moore at the microphone making the dedicatory address. On his immediate left is Highway Commissioner Carl Renfro and Highway Chairman Joe Hunt to Mr. Renfro's left.



I-95 looking north from the Gold Rock interchange toward Weldon, constructed at a cost of \$8,000,000.

THE INTERSTATE HIGHWAY SYSTEM

The Interstate Highway System is another very important part of the Highway Commission's overall highway program. This relatively new phase of the total highway program came into being as we know it today with the creation of the Federal Highway Trust Fund in 1956.

It provides a system of high speed, controlled-access routes with connections with routes of the same number in adjoining states. The 770-miles of this system allocated to North Carolina is part of 41,000-miles of such highways designed to tie the nation together and to provide for the free and easy flow of people and commerce at all times. The system was originally scheduled for completion by 1972, but because of several cut-backs and freezes in federal funding, the target date is now 1975 to 1976.

At the close of the biennium on June 30, 1968, a total of 422-miles of the allocated 770-mile system in North Carolina had been completed and opened to traffic. An additional 130-miles was under construction and designs prepared and right of way acquired on still another 217-miles.

The Interstate Highway System in North Carolina is divided among five routes. The following is a status check on each of the routes:

—I-26 runs from the South Carolina line southeast of Hendersonville to Asheville. The entire route, a total of some 40-miles, is either complete or in some stage of construction. The segment from the South Carolina-North Carolina line is open to traffic. The Green River Bridge is completed. The segment from Columbus to Saluda is under construction. The segment from Saluda to Asheville is open.

—I-40 runs from the Tennessee-North Carolina line through the Pigeon River Gorge to Greensboro. The Pigeon River Gorge segment from the Tennessee line is under construction and is set for completion and opening in the fall of 1968. Right of way is being acquired on the segment from Cove Creek to the already opened Canton Bypass. The section from the Canton Bypass to Asheville is under construction. Right of way is being acquired on the segment from east of Asheville to Old Fort. The segment from Old Fort to Hildebran is open. Right of way is being acquired from Hildebran to Conover. From Conover to Statesville and the so-called "missing link" from Statesville to just east of Winston-Salem is under construction. The route is open to traffic from Winston-Salem to Greensboro.

—I-77 runs from Charlotte to the Virginia-North Carolina State line. The urban segments in Charlotte and north to N. C. 73 are being designed. N. C. 73 to near Mooresville is open to

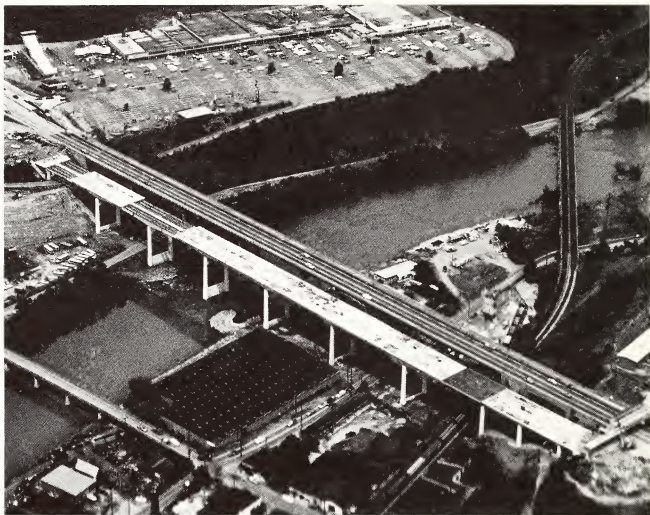
traffic as are the segments from Mooresville to Statesville and the Statesville Bypass. Right of way is being acquired from Statesville to Elkin. The Elkin Bypass is open and the segment from Elkin to the Virginia line is being designed.

—I-85 runs from the South Carolina-North Carolina line southwest of Gastonia to the Virginia-North Carolina line north of Henderson. The segments from South Carolina to Charlotte, from China Grove to near Lexington, from Greensboro to Durham and from Henderson to the Virginia line are open to traffic. The segments north of Durham to Henderson are under construction as is the segment from Charlotte to China Grove. The portion from near Lexington to Greensboro is being designed.

I-95 runs from the South Carolina-North Carolina line south of Lumberton to the Virginia-North Carolina line north of Roanoke Rapids and Weldon. The segment from just north of Rocky Mount (Gold Rock) to the Virginia line is open to traffic as are the segments from south of Lumberton to Hope Mills and from north of Fayetteville to Kenly. Hope Mills to north of Fayetteville is being designed and right of way is being acquired from U. S. 64 to Kenly and designs prepared on the segment from U. S. 64 to Gold Rock.



U.S. 421 Wilkesboro Bypass



New U.S. 19—23 Bridge at Asheville



U.S. 70 west of Goldsboro

THE PRIMARY HIGHWAY SYSTEM

The primary highway system in North Carolina connects all the major towns and cities and as the name implies provides the primary arteries of travel for the motorist. These same primary highways provide connections with the major routes for interstate travel and in the case of the U. S.-numbered routes carry the same number in this state that they do in all other states served by the route. U. S. 1 and U. S. 17 are, for instance, major north-south primary routes. U. S. 70 and U. S. 74 are major east-west primary routes. The system today totals some 11,500-miles.

In the 18 years between 1950 and 1968, there has been a dramatic change in the primary highway system in North Carolina.

In 1950 some 5,000 miles of the primary system had a pavement width of 19 feet or less. Less than 170 miles of the system was wider than two-lanes and only about 250 miles was 24 to 26 feet in width which is considered the standard for a two-lane highway today.

Now, at the close of the 1967-68 biennium, the mileage which is 19-feet wide or less has been reduced to less than 2,600 miles. More than 3,500 miles are 20 to 21 feet wide and some 4,500 miles are 22 to 26 feet wide. Today there are 931 miles of highway that have more than two lanes. The rural four-lane highway mileage has been increased to 878 miles.

THE SECONDARY ROAD SYSTEM

The Secondary Road system, once thought of only in terms of a farm to market system, has taken on added importance and new significance in recent years in the overall highway setup in North Carolina.

With many of the state's citizens living in rural and suburban areas and working in the metropolitan areas, the secondary road system has become important as the connecting links between the rural areas and the primary highway system feeding traffic into the urban areas. Many secondary roads near urban areas carry traffic loads equal to some sections of primary highway in the less populous areas.

Just as in the primary system there have been dramatic changes in the secondary road system, especially since 1950.

When the Highway Commission assumed responsibility for the secondary road system in 1931 as a means of assisting the already hard-pressed counties during the throes of a depression, it consisted of a patchwork of roads totaling some 47,000 miles

of which only about 1,000 miles was paved.

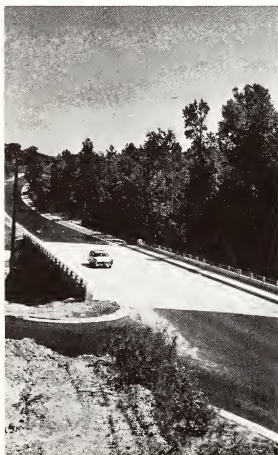
In 1950 the system had grown to some 49,000 miles with about 7,000 miles paved. That paved mileage was increased significantly by the \$200-million dollar road bond issue of 1949, and is on the increase again due to the \$300-million bond issue of 1965.

At the close of the biennium on June 30, 1968, the secondary road system totaled some 58,000 miles with more than 33,000 miles, or more than 60 per cent, of the system paved. More than 90 per cent of our rural people live on paved roads.

During the fiscal year 1966-67 the regular secondary road plan allocation was \$16-million, and in that period a total of 420 miles of secondary roads were paved and 688 miles were stabilized or otherwise improved.

During the fiscal year 1967-68 the regular secondary road plan allocation was \$9-million, but with carryovers from the previous year a total of 434 miles of secondary roads were paved and another 483 were stabilized or otherwise improved.

The Secondary Roads Department is charged, in addition to its other duties, with administering the Access and Public Service Road Fund. During the period July 1, 1966 to June 30, 1967, a total of \$1.8-million was expended for the construction of access roads to schools, industries and public facilities. In the period July 1, 1967 to June 30, 1968, \$1.7-million was expended for the same purposes.



BRIDGE

When the big suspension bridge across the Ohio River at Point Pleasant, West Virginia, collapsed the event triggered an immediate response by the State Highway Commission. A general survey of bridges in North Carolina was ordered and on February 1, 1968, the commission ordered loads reduced on three bridges in the state.

The bridge over the banks channel at Wrightsville Beach, the old West Asheville Bridge over the French Broad River, and the Old Bridge over the Yadkin River between Elkin and Jonesville in Surry County were ordered restricted to automobile traffic only. The bridges were closed to all passenger buses, trucks and school buses and four-ton load limit signs were posted.

The bridge department continually evaluates the condition of its existing bridges and regularly replaces or improves them within its overall program of construction and maintenance.

In addition to the study instituted on its own volition, the State Highway Commission is also participating in a national study of bridges for the U. S. Bureau of Public Roads. This involves first a study of all bridges in the state built before 1935, then all others. This to be followed by careful inspections at two year intervals.

North Carolina has a total of 15,835 bridges on its highway



I-26 Green River Bridge, Polk County



New lift-span bridge at Wilmington

system. Of these only 861 were constructed prior to 1935.

During the biennium, work was pushed forward on the state's first vertical lift span bridge across the Cape Fear River at the port city of Wilmington. This \$16-million structure will be the first of its kind on the North Carolina highway system. It is scheduled for completion in the summer of 1969.

At the other end of the state the magnificent Green River Bridge which will carry Interstate 26 traffic across a deep gorge in the mountains of Polk County was completed in June of 1968.

The Wilmington Bridge is 3,033 feet long with a clear roadway width of 56 feet with two 18 inch curbs. The lift span will provide a navigational horizontal clearance of 350 feet, a vertical clearance of 65 feet in the closed position and 135 feet in the open position.

The Green River Bridge is the tallest bridge on the Interstate System in the Southeastern United States and the tallest in North Carolina at 220 feet above the Green River at the floor of the gorge. The bridge is actually dual parallel structures, each carrying two lanes of traffic. Each span is 1,050 feet long and each provides a 28 foot clear roadway width with curbs two feet wide.

Contracts for the \$4-million Green River structure were awarded in March of 1966.

RIGHT OF WAY

The amount of property needed for highway construction in North Carolina and the cost of acquiring this property continued to rise during the biennium. Because the state's highway program is expected to continue at high levels and because there is a new emphasis on urban highway construction, the cost of right of way acquisition is also expected to remain high.

The total cost of right of way acquired during the biennium concluded on June 30, 1968 by the Highway Commission for all types of construction was \$49.5-million. Of this amount some \$20.5-million was expended the first year of the period (1966-67) and the remaining \$29-million the second year.

The total cost of right of way incurred by the Commission during the biennium just concluded compares to some \$27.5-million in the biennium immediately preceding.



Tri-level interchange I-26, I-40, N.C. 191 near Asheville



HIGHWAY SAFETY

Highway safety continued to have a place of great importance in the Highway Commission's overall program. New studies and research were carried out during the last two years including the preparation of a comprehensive inventory of accident prone locations on the state's urban highway system. This inventory supplements a similar one completed during the last biennium for the rural highway system. These inventories form the basis for a program aimed at systematically eliminating such accident prone locations through engineering methods over the next several years.

In keeping with this new emphasis on highway safety a new section was created in May of 1968 within the Traffic Engineering Department specifically to concentrate on accident identification and study.

Creation of this new section follows the pattern of increased attention given to highway safety developed by the State Highway Commission over the last several years and also helps the state to comply with one of the standards contained in the Highway Safety Act of 1966 requiring the states to maintain operations designed for accident identification and surveillance.

The accident section will review each fatal accident reported by the State Highway Patrol and local police departments to determine to what degree, if any, the highway contributed to the accident.

The section will keep the entire 73,000 mile highway system under surveillance for potentially hazardous locations through

the use of computers, personal observations and reports supplied by highway personnel, public officials, news media reporters and others. Currently, the public relations office is supplying the accident section with newspaper accounts of accidents on a weekly basis.

Finally, a project review team will go over plans for all new projects and make field inspections during the design stage and on the basis of these inspections make recommendations for changes in the design where they are appropriate. Then, in order to determine the effectiveness of the improvements made in a given location "before and after" studies of accident experience at the location will be made on all major projects.

This section will play a key role in the Highway Commission's safety program and in the state's overall attempt to make Tar Heel highways safer.

PERSONNEL

Activities were stepped up in virtually all areas of the personnel operation of the Highway Commission. New attention was given to recruitment, education and in-service training and new lines of communication between the Raleigh headquarters and the field were opened up during the biennium.

In June of 1966 the Highway Commission joined with the W. W. Holding Technical Institute at Raleigh in developing a program of Cooperative Education in the field of Civil Engineering and Civil Technology. Over the course of the biennium, the program was expanded to include agreements with Virginia Polytechnic Institute (VPI) the University of Tennessee and Gaston College in Gaston County, North Carolina. North Carolina State University will hopefully join the program in the near future.

The cooperative program which began with eight students in 1966 grew to a class of 30 at the close of the biennium. In addition to those currently enrolled, twenty have completed the program with half the number now on the permanent employee rolls of the Highway Commission.

As a follow up to its stepped up program of recruitment, the Personnel Department has instituted a Career Development Program which gives individuals practical experience in the various fields involved in highway engineering.

Generally recruited directly from the campus, the graduate in civil engineering or civil technology usually has no real experience in his field. The Development Program gives him the opportunity to work for three to six month periods in each of the highway commission's functional areas such as design, maintenance and construction. About 15 new civil engineering grad-

uates are added to the Career Development Program each year.

Over the course of the biennium a one-year Training Program for Civil Technology Graduates has been developed to give such employees the opportunity in departments of the Highway Commission where he may be employed permanently at a later date;

A supervisory Development Training Course has been developed in association with W. W. Holding Technical Institute;

A course in Introduction and Related Math is being taught at Fayetteville Technical Institute;

And a seminar in Personnell Administration has been presented to 306 highway commission employees.

Other inservice programs are now being developed designed to allow employees to improve their potential and efficiency.

MAINTENANCE

North Carolina's Highway Commission carries out maintenance operations on more miles of road than any other single state agency. And as the highway system grows beyond the current 73,000 mile mark the responsibility will grow as will the cost of carrying out the necessary operations.

During the last biennium, about half of the Highway Commission's budget was spent for maintenance operations. This includes everything from surface patching to retreatment, improving roadside drainage to mowing of shoulders and median strips, and the removal of snow and ice in winter.

The total maintenance expenditure by the Highway Commission for the biennium just concluded was approximately \$143-million.

In the winter storms which swept across North Carolina during the winter of 1967-68 almost 40-thousand tons of sodium and calcium chrolide were used. This was used in the Highway Commission's snow fighting program in conjunction with many pieces of new equipment. Maintenance crews in the event of deep snows begin working with salt and equipment on the interstate and major primary highways, then turn their attention to lesser primary roads and important secondary roads with particular attention paid to bridges, and finally work the less important paved secondary and unpaved secondary roads.

In another phase of the maintenance operation, generally associated with warmer weather, figures based on the summer of 1967 indicate that Highway Commission mowing machines mowed some 214,439 miles of "highway lawn" on roadsides and median strips. With 550 machines operating, each mowed some 390 miles of grass.



Emergency maintenance during winter 1967



Resurfacing with center and edge lining

THE BOND PROGRAM

The importance of the \$300-million road bond issue of 1965 moved into sharper focus when in 1966 and 1967 the Federal government began to cut back and withhold funds to the States from the Highway Trust Fund.

Governor Dan Moore, Highway Chairman Hunt and others had called the bond issue vital in the campaign for its approval. These words, in light of the Federal action, proved to be more than prophetic. There were those who said that the state's highway program would have ground to a halt had it not been for the money available from the bond issue.

The first projects to be financed by funds from the bond issue were awarded for contract in the spring of 1966. Since then, those first projects have moved rapidly through construction and the commission has moved steadily through the development of the bond financed portions of the overall highway program.

At the close of the biennium, \$68-million in Urban, \$70-million in Secondary, and \$145-million in Primary bond funds, or a total of \$283-million, has been obligated. During the same period, some \$115-million in bond funds had actually been spent, that is from 1966 to June 30, 1968.

With the bond program now in full swing and with bond funds being expended at the rate of \$10-million to \$15-million per month, it is anticipated that virtually all available bond funds will have been spent or obligated during the next year.

During the early months of the bond program emphasis was placed on the construction of secondary projects which required little or no detailed planning, but in more recent months work has centered on large primary and urban bond projects on which plans have been completed and right of way acquired. This emphasis on primary and urban projects will continue now until the end of the program.

The \$300-million bond issue is being retired by the one cent per gallon tax increase approved by the voters to retire the \$200-million secondary road bond issue of 1949. Continuation of the additional one cent tax was approved along with the issuance of the bonds in 1965.

HIGHWAY NEEDS: Looking Ahead

The progress that North Carolina has made since 1950 in expanding and improving its highway system is an understandable source of pride. Ours is generally recognized as a "good roads state".

During this period we have brought the farmer out of the mud. With the wise application of funds from the \$200-million secondary road bond issue of 1965, and a specified \$75-million from the \$300-million road bond issue of 1965, we have paved 60 per cent of our 60,000-mile secondary road system. Ninety per cent of our rural population now lives on a paved road.

We have opened more than half the allocated interstate system. We have paved and improved many miles of primary highway. We have added some to our non-interstate four-lane highway mileage. We have developed and begun implementation of 20-year thoroughfare plans for our cities. We have improved many miles of our 73,000 miles system with funds from the \$300-million road bond issue.

But North Carolina is a dynamic and ever-changing state. As we change, so do our highway needs. Our population is shifting from predominantly rural to predominantly urban. We are moving from a rural-agrarian state to one which points with pride to its fine balance between farming and industry.

Our population has already reached five million and is expected to reach or surpass six and a half million by 1985. Highway travel, up 121 per cent between 1950 and 1965, is expected to increase by about 135 per cent in the average urban area by 1985. Motor vehicle registration in this state is expected to come to more than three and a half million by 1985.

These anticipated changes and others have made North Carolina's future highway needs and how to finance them a topic of vigorous study and discussion.

Two studies of the situation were begun and one of them completed during the past biennium.

The first, conducted by the professional staff of the State Highway Commission, was undertaken at the direction of the governor and in cooperation with the American Association of State Highway Officials (AASHO). The study, with those from the other states, was to be presented to Congress to guide them in developing future federal-aid programs after 1975, the approximate completion date of the current interstate highway program. The completed study, released by the governor in March of 1967, showed that North Carolina's highway needs between 1975 and 1985 would come to approximately \$6.5-Billion: \$2.6-Billion for primary highway improvements, \$3.02-Billion for urban streets and highways, and \$885-million for secondary improvements. This report made no suggestions as to how these improvements should be financed.

The second study, underway now, is being conducted by a special 15-member commission appointed by the governor and headed by Micou Browne of Raleigh. The "blue-ribbon commission" was appointed on December 1, 1967 and is directed to report to the governor by December of 1968.

The special study will look at the needs of the state's highway system, at the operation of the highway commission, and at the means of getting monies into the state's Highway Fund.

It is expected that the findings of the Governor's Highway Study Commission make available to the 1969 General Assembly and that it will contain recommendations for increased highway user taxes.



Urban congestion on Asheville's Tunnel Road



APPENDIX "A"

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina

REPORT ON AUDIT

FISCAL YEAR ENDED JUNE 30, 1967

JOSEPH M. HUNT, *Chairman*
W. F. BABCOCK, *Administrator*
JOHN L. ALLEN, *Controller*

COMMISSIONERS

J. B. BRAME
GEORGE H. BROADRICK
W. W. EXUM
W. B. GARRISON
THOMAS S. HARRINGTON
GEORGE L. HUNDLEY
DON MATTHEWS, JR.

JOHN F. MCNAIR III
CARL MEARES
ASHLEY M. MURPHY
CARL RENFRO
W. CURTIS RUSS
RAYMOND SMITH
JAMES G. STIKELEATHER, JR.

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**DEPARTMENT OF STATE AUDITOR
BUREAU OF INSTITUTIONAL AND DEPARTMENTAL
AUDITING**

Raleigh, North Carolina

**THE ADVISOR. BUDGET COMMISSION
RALEIGH, NORTH CAROLINA**

Gentlemen:

We have examined the books and records of the

**NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina**

for the fiscal year ended June 30, 1967. Our examination included the Current Fund, Debt Service Fund of 1949, Debt Service Fund of 1965 and the Equipment Fund. The financial condition, and results of operations are set forth in Exhibits "A" through Exhibit "H" supported by Schedules A-1 through A-24, B-1, C-1, E-1 through E-3.

**CURRENT FUND
EXHIBIT "A"**

Cash in Bank \$22,250.00:

Division engineers and equipment superintendents are provided with checking accounts throughout the State for the payment of miscellaneous emergency bills for less than \$25.00. Reimbursements are made upon submission of paid invoices and bills, or receipts. Schedule A-1 shows the names of the persons responsible for disbursing these funds.

Cash on Deposit — State Treasurer \$67,089,757.47:

All cash received by the Current Fund is deposited to this account. Transfers are made each month to a disbursing account, against which checks are drawn for current operations. This balance is \$3,209,860.68 less than that shown on June 30, 1966.

Travel Advances to Employees \$22,745.66:

Listed on Schedule A-4 are the names of employees who have received advances for out of pocket expenditures while on work assignments out of town overnight, and requires constant travel. Travel expense vouchers are submitted to satisfy these advances.

Accounts Receivable State Departments \$420,054.76

Accrual of gasoline tax refunds due from the Department of Revenue for April, May and June accounts for \$283,182.78 of the balance shown above. The remaining balance of \$136,871.98 represents charges for materials or services furnished other Departments as shown on Schedule on A-5.

Enrollees — Group Insurance Program \$26,367.26:

This balance represents Group Insurance premiums due from enrollees at June 30, 1967, payable to Connecticut General Life Insurance Company.

Motor Vehicle Bureau Imprest Fund \$15,000.00:

This balance represents cash advanced to the Department of Motor Vehicles for the purpose of expediting payment of refund claims on gasoline.

Due from Utilities and Other Public Service Agencies \$183,287.58:

These accounts arise from agreements entered into with the Highway Commission for participation in construction and relocation of highways or bridges, drainage and watershed projects, and other miscellaneous services or materials.

Due from Cities and Towns \$2,228,478.19:

These are amounts due the Highway Commission for services and materials furnished under contractual agreement with cities and towns as listed on Schedules A-7.

These receivables are aged as follows:

Amount Past Due	\$ 109,954.36
Due Date	
Fiscal Year 1966-67	182,437.35
" " 1967-68	695,128.29
" " 1968-69	478,312.92
" " 1969-70	283,250.44
" " 1970-71	195,815.65
" " 1971-72	160,614.64
" " 1972-73	22,000.00
" " 1973-74	22,000.00
" " 1974-75	22,341.32
" " 1975-76	14,202.66
" " 1976-77	7,000.00
Upon Completion	35,420.56
	<hr/>
	\$ 2,228,478.19

Due from 1965 Bond Fund \$8,670,846.96:

This amount represents expenditures made for construction program carried out under the State Highway Bond Act of 1965. Amounts expended from the Current Fund are to be reimbursed from 1965 Bond Fund Cash.

Due from Federal Government \$13,936,521.00:

This is due from the U. S. Bureau of Public Roads as their share of participation in Federal Aid Construction for projects let to contract that had been earned and billed. Details are shown on Schedule A-8.

Other Receivables \$104,397.44:

Other accounts receivables are listed in Schedule A-9.
These accounts are aged as follows:

Age	Amount
Less than 30 days	\$ 31,294.09
30 to 180 days	48,457.16
180 to 270 days	9,064.31
270 to 360 days	1,709.12
More than 1 year	13,872.76
	<u>\$ 104,397.44</u>

Twenty-Four (24) percent of this balance was collected during the month of July, 1967.

Federal Aid Allocations \$112,555,393.52:

In Schedule A-10 we show an analysis of these Federal Aid allocations. These apportionments have not all been let to contract. A part has been earned and a part unearned. Some parts have been temporarily suspended.

Inventories \$6,195,300.41:

We were not present at the time these inventories were counted. Management submitted inventories at June 30, 1967 as follows:

Physical inventories in fourteen Divisions		\$ 4,093,831.44
Add: Inventories in Transit:		
Completed Parts	\$ 1,472,823.93	
Other in Transit	627,666.37	2,100,490.30
Job orders in progress		978.67
Total		<u>\$ 6,195,300.41</u>

Additions extensions and other tests were made of this inventory.

Securities and Deposits held for Others \$391,000.00:

These securities are held in lock box at Wachovia Bank & Trust Company, Raleigh, N. C. They are deposited by contractors in lieu of performance bonds.

We made a personal verification of these securities December 8, 1967.

Advance Acquisition of Right-of-Way \$528,531.26:

This is the amount invested in property for proposed future highway projects.

CURRENT FUND LIABILITIES, RESERVES AND SURPLUS

Accounts Payable \$8,295,624.21:

On June 30, 1967, all outstanding purchase commitments from unfilled purchase orders, purchase of gasoline and oil for which invoices had not been received, and contracts for personal services were accrued, together with other accruals as follows:

Accrual of Unfilled Purchase Orders	\$ 7,966,556.54
Accrued Gasoline and Oil Purchases	62,686.21
Accrual Workmen's Compensation Claims	129,668.56
Accrued Liability for Public Liability Claims	135,012.87
Accrual Commissioners' Per Diem	1,640.62
Accrual Copying Machine Rental	59.41
	<u>\$ 8,295,624.21</u>

The accrued liability for Public Liability Claims of \$135,012.87 includes an additional \$50,471.00 which was not actually recorded on the books until July, 1967.

Due to Equipment Fund \$4,853,390.09:

The liability shown above has been adjusted to reflect two contra entries as follows:

- (A) An additional \$1,376.07 explained on Schedule E-1
- (B) A decrease of \$50,471.00 explained above in comments on Accounts Payable

**Allowance for Employees' Vacation, Sick Leave and
Compensatory Leave \$2,583,850.45:**

This balance represents accruals for employees' sick leave, annual leave, holidays and compensatory leave since November 1, 1959. On November 1, 1959, the practice of recording the contingent liability for these leave accounts, with the exception of compensatory leave, as they apply to the productive labor forces, was initiated. At this time, it would have required approximately \$5,381,371.00 to record on the books this contingent liability, which was represented by 451,694 days sick leave, reduced to an experience rate of 55.7551% and 136,564 days annual leave, both computed at an average salary rate of \$3,630.00.

Enrollees — Advance Payment Life Insurance Premium \$15,114.71:

This amount represents advance payments of Connecticut General Life Insurance Company group insurance premiums.

Accrued Payroll \$1,283,022.54:

This accrual represents the gross payroll for June 26, 27, 28, 29 and 30, 1967, of the pay period which ended July 7, 1967.

Accrued Taxes Payable \$2,189.79:

This item consists of State Sales and Use Taxes accrued and unpaid at June 30, 1967.

Deferred Proceeds from Sale of Capital Assets \$21,725.00:

This is the proceeds from the sale of 1.35 acres of Highway Commission Property in Buncombe County.

Undistributed Department of Motor Vehicle Revenue \$19,987.55:

This represents revenue collections deposited with the State Treasurer by the Department of Motor Vehicles, which was not included in their distribution for the month of June, 1967.

Encumbrance Allotments \$148,288,011.23:

A list of encumbrance allotments by appropriation titles is shown in Exhibit "A". These amounts represent the unexpended portion of allotments approved by the Budget Division of the Department of Administration.

Reserves \$42,919,747.13:

Funds reserved at June 30, 1967, in the Current Fund are shown in detail on Exhibit "A".

Unappropriated Surplus \$3,636,474.66:

An analysis of unappropriated surplus during the fiscal year ended June 30, 1967 is presented below:

Balance, July 1, 1966			\$ 4,199,382.73
Increases:			
Unallotted Appropriations	\$ 1,150,288.44		
Excess of Actual Revenue over Estimated	7,239,692.28		
Reserve for appropriation for State Aid to			
Municipalities in excess of statutory equipment	230,209.52		
From Reserve for Department of Motor Vehicles	150,000.00		8,770,190.24
			<u>\$12,969,572.97</u>
Decreases:			
Appropriations by Governor	\$ 51,917.00		
Funds reserved for fiscal year 1967-68:			
State Aid for Municipalities	\$ 30,430.31		
Highway Safety Program	2,957,969.00		
Additional Salaries	288,000.00		
Appropriations in Excess of			
Estimated Revenue	6,004,782.00	9,281,181.31	
			<u>9,333,098.31</u>
Balance, June 30, 1967			<u>\$ 3,636,474.66</u>

SCHEDULE A-17
STATEMENT OF REVENUES

State revenue collections for 1966-67 amounted to \$180,655,692.28, an increase over estimates of \$7,239,692.28 or 4.2%.

Federal revenue estimates are based on apportionments by the Federal Government. As shown on Schedule A-12, the total amount of funds available for allotments during the year was \$78,295,309.52, allotments amounted to \$45,946,445.00, and the balance available for allotments on June 30, 1967 was \$32,348,864.52. Total revenue collections against Federal Aid apportionments amounted to \$60,380,359.33.

Revenue collections for the fiscal year 1966-67 exceeded the estimated revenues by \$7,638,714.82, as shown on Schedule A-17.

Revenue collections for the fiscal year 1966-67 exceeded the expenditures by \$5,309,408.46, as may be seen from the following summary:

	Fiscal Year Ended		Increase Decrease*
	June 30, 1967	June 30, 1966	
Revenues:			
Motor Vehicle	\$174,796,228.95	\$164,290,042.40	\$ 10,506,186.55
Federal Aid	60,380,359.33	62,397,557.26	2,017,197.93*
Participation	1,674,827.32	1,629,198.12	45,629.20
Miscellaneous	5,859,463.33	3,728,859.91	2,130,603.42
	<u>\$242,710,878.93</u>	<u>\$232,045,657.69</u>	<u>\$ 10,665,221.24</u>
Expenditures:			
Non-Highway Departments	\$ 18,106,150.70	\$ 16,784,454.56	\$ 1,321,696.14
General Administration	2,675,847.41	2,603,864.57	71,982.84
Engineering Administration	6,396,568.28	6,058,226.50	338,341.78
Contribution to Retirement Fund	6,387,005.17	5,589,504.93	797,500.24
State Maintenance & Construction	96,859,677.48	91,212,936.27	5,646,741.21
Federal Aid	96,265,822.82	94,320,593.69	1,945,229.13
Capital Improvement	1,385,206.18	1,712,432.52	327,226.34*
State Aid to Municipalities	9,325,192.43	8,776,008.98	549,183.45
	<u>\$237,401,470.47</u>	<u>\$227,058,022.02</u>	<u>\$ 10,343,448.45</u>
Excess of Revenue over Expenditures	<u>\$ 5,309,408.46</u>	<u>\$ 4,957,635.67</u>	<u>\$ 351,772.79</u>

INACTIVITY IN WORK ORDERS

On September 30, 1967 a machine list was prepared of 1344 work orders in which the financial records of the Highway Commission indicated no activity for periods ranging from 90 days to 27 months. It was pointed out that unexpended allocations of \$11,968,396.42, are tied up on these particular work orders. A considerable number of these work orders showed overdrafts; otherwise the unexpended balance would have been larger. A summary of these inactive work orders follows:

Total Primary System	\$ 777,026.98
Total Secondary System	3,444,642.70
Total Urban System	6,787,241.47
Public Service Roads	224,013.25
Capital Improvements	60,472.52
Federal Aid	674,999.50
	<u>\$11,968,396.42</u>

OVERDRAFTS IN WORK ORDERS

On September 30, 1967 a detail listing was prepared by the Finance Department showing 1,346 work orders having overdrafts totaling \$18,208,242.74. A summary of the total of these work orders, and the amounts of the overdrafts, by the various systems, is presented below:

System	No. of Work Orders	Overdraft Amount
Primary	239	\$ 3,314,791.21
Secondary	559	7,255,072.43
Urban	180	789,211.19
Public Service Roads	45	272,376.09
Capital Improvements	1	3,671.33
Federal Aid	322	6,573,120.49
	<u>1,346</u>	<u>\$18,208,242.74</u>
Overdrafts September 30, 1967	1,346	\$18,208,242.74
Overdrafts June 30, 1967	1,127	12,997,103.70
Overdrafts June 30, 1966	979	10,028,865.16

The comparisons above discloses a substantial increase of \$8,179,377.52, in overdrafts over a period of fifteen months. The Project Control Department is responsible for providing funds for all projects. The Finance Department is responsible for accounting for these funds. This overdraft problem has been noted in each audit for the past several years. The additional funds provided under the Bond Act of 1965 makes it still more imperative that management should take specific steps to find effective measures to cope with this problem.

FEDERAL AID EXCEPTIONS

Under the provisions of current billing and concurrent audit, certain standards must be met before the Highway Commission is permitted to bill the Federal Government for reimbursement of Federal Aid Expenditures. If these standards are not met, the expenditures are placed under exception and payments are suspended until such time as the cause of the exceptions are removed by appropriate action on the part of the Commission.

The most common causes for exceptions are coded and listed below:

2. Documentation needed
3. No project agreement
4. Agreement modification needed
5. Bureau of Public Roads citation
9. Reversal of Contract Retents

The machine run on Federal Aid exception under date of October 31, 1967 amounted to \$12,869,954.05.

Reasons for exceptions:

Code	
2.	\$ 1,728,355.21
3.	8,122,907.99
4.	3,018,690.85
	<u>\$12,869,954.05</u>

These exceptions cover the period July 1, 1965 to October 31, 1967. The Federal Aid officer estimated that exceptions existing prior to July 1, 1965 would amount to \$2,493,770.00. This would result in a total exceptions list of \$15,363,724.05.

We should point out that it is possible that amounts shown as overdrafts, could also be a part of the exceptions shown above.

CONTRACTORS CLAIMS

Claims filed with the Highway Administrator for labor and materials exceeding contracts were reviewed with the Chief Engineer, December 14, 1967. These claims are set forth by contractors under the provisions of General Statutes 136.29. The claimant has six months in which to bring suit in the event the Administrator does not approve the claim in its original form.

Listed below are the outstanding claims as presented by the Chief Engineer on December 14, 1967:

Outstanding claims December 29, 1966		\$ 1,757,415.64
Add:		
New Claims:		
8.16793 Ray D. Lowder	\$	14,925.23
8.13375 Bowers Construction Co.		18,800.00
8.1273802 T. A. Loving		71,617.73
8.1601102 Wilson Construction Co.		7,350.00
8.1900402 Clauson Laurence		3,094.99
8.1947002		
8.1947003 W. B. Dillard		40,700.00
8.2111003 Black Bros.		312,331.36
		<u>468,819.31</u>
		<u>\$2,226,234.95</u>

	Amount Accepted	Amount of Claim Liquidated	
Less: Claims Liquidated:			
Dickerson & Co. Denied by Court	\$ -0-	\$ 5,319.00	
Dickerson & Co.	-0-	16,591.00	
Brown Paving Co.	24,450.00	179,304.30	
Triplett Ryon Denied by Administrator-			
No action	-0-	9,676.16	
Wilkes Construction Co.	10,550.00	10,550.00	
Clements Bros.	20,000.00	107,338.38	
Asheville Paving Co.	14,608.50	18,017.15	
Zephr Construction Co.	48,300.00	175,010.58	
	<u>\$ 117,908.50</u>	<u>\$ 521,806.57</u>	521,806.57
Outstanding Claims December 14, 1967			<u>\$1,704,428.38</u>

PRISON LABOR

Prison Labor was used on a contractual basis for maintenance and construction of highways and maintenance of the Highway Building as follows:

Purpose Used	Average Number of Prisoners Per Day	Amount
Maintenance and Construction	2,500	\$ 4,650,000.00
Highway Building Maintenance— Janitorial Service	16	19,580.00
	2,516	\$ 4,669,580.00

Contract signed in accordance with GS-148-26 (B) for the period July 1, 1966 to June 30, 1969 specifies that the number of prisoners to be made available for work on the State Highway System shall be set at 2,500 daily.

The amount to be paid for this labor shall be \$4,650,000.00 for 1966-67 and \$4,800,000.00 for each year of the next biennium.

From July, 1957 until July, 1963 the Prison Department operated on a basis of a certain sum of money from the Highway Fund fixed by the appropriation act for payment of inmate labor to be supplied for road work. This was paid regardless of how many inmates actually worked on the roads. It was in effect, an appropriation out of the Highway Fund to the Prison Department.

Since July 1963 prison labor was paid for at the rate of \$5.00 per day for inmates actually employed. This resulted in a varying and uncertain income to the Prison Department determined by such factors as weather conditions, available prisoners, etc. The Prison Department wanted an assured amount of money coming in monthly or quarterly. It was accordingly agreed that the number of prisoners be kept available for 1966-67 and 1967-68 would be set at 2,500; that this number include 1,500 in minimum custody, and 1,000 in medium custody. Rates were determined by using \$9.00 per day for labor of prisoners in medium custody, and \$5.00 per day for those in minimum custody.

CHANGE IN METHOD OF DISTRIBUTING PRISON LABOR COST

Prior to July 1, 1966 the Finance Department charged prison labor to maintenance work orders on a basis of time actually spent on each job. Labor paid for but not used was charged to unproductive labor costs. During this time the number of prisoners being used average from 5,000 to 7,500 a day. Apparently no difficulty was encountered in this procedure. However, under a new concept effective July 1, 1966, prison labor will be prorated and charged to each county on the basis of 1/3 to primary maintenance, and 2/3 to secondary maintenance. Each county is assigned a quota of prisoners, and the percentage of this quota to the total prisoners available (2,500) acts as a basis for distribution of prison labor to Division Maintenance. It remains to be seen just how equitable this may prove to be.

RECOMMENDATION REGARDING CONSULTANTS' FEES

As a part of our audit procedures we pulled the detail files on a number of contracts between the North Carolina Highway Commission and various professional consultants. In many cases the contracts were written in such a way

that additional charges might be added under specific conditions. This resulted in the preparation and agreement on a supplementary contract. A single contract could be subdivided over several projects and work order numbers and can get somewhat involved. Consultant fees paid during the fiscal year ended June 30, 1967 amounted to \$3,936,042.30 and will from all indications increase under the Bond Act of 1965. No records are made at present until a payment is made, and we did not establish the extent of liability at June 30, 1967. It has not been the policy of the Highway Commission to accrue the contingent liability to contractors for road building, grading and structures at the close of each accounting period.

EXHIBIT "B"
DEBT SERVICE FUND
ROAD BONDS OF 1949

Cash on deposit with the State Treasurer at June 30, 1967 was the exact amount to retire all outstanding Road Bonds of 1949, and the interest maturities through the year 1970 or the final amortization date for this Bond issue.

Future revenues from gasoline tax will go to the Debt Service Fund of 1965. Schedule B-1 shows the Secondary Road Bond requirements in Detail.

EXHIBIT "C"
BALANCE SHEET
BOND FUND OF 1965

The General Assembly of 1965 authorized the State Treasurer to issue and sell State Highway Bonds in the amount of \$300,000,000.00. This Act was subject to the vote of the people of the State, and was approved by a majority of the qualified voters on November 2, 1965.

\$60,000,000.00 of the Bonds were issued February 1, 1967. The receipts therefrom are to be used in the payment of bond anticipation notes.

All construction or improvements in highway facilities under the 1965 bond program were financed by the use of funds from the Highway Current Fund. The Current Fund is to be reimbursed periodically by the Bond Fund from cash borrowed by the issuance of Bond Anticipation Notes, from the proceeds of the sale of bonds, or from cash acquired from both sources.

It will be noted from Exhibit "C" that \$113,861,625.11 of the funds authorized by the Act, which includes participation by others, has been allocated to work orders as of June 30, 1967. This leaves a balance of \$186,317,567.86 to be allocated to work orders in the succeeding years.

It will also be noted that of the total funds authorized, including participations by others, expenditures of \$44,627,342.96 were made for the period July 1, 1965, through June 30, 1967, leaving an unexpended balance of \$255,551,850.01 for expenditures in subsequent years.

See Schedule C-1 for details of allocations to work orders.

EXHIBIT "D"
DEBT SERVICE FUND
HIGHWAY CONSTRUCTION BONDS OF 1965

This fund was authorized under Chapter 46, Session Laws of 1965. The transactions in this fund during the fiscal year ended June 30, 1967, were as follows:

Cash on Hand July 1, 1966	\$ -0-
Revenue Collections	7,048,788.80
Transfer from Secondary Road—Debt Service Fund	6,263,661.26
Total Available	\$13,312,450.06
Less Expenditures:	
Interest on Bond Anticipation Notes	1,200,000.00
Cash on Hand June 30, 1967 (Exhibit "D")	<u>\$12,112,450.06</u>

EXHIBIT "E"
BALANCE SHEET
EQUIPMENT FUND

The investment in the Equipment Fund increased during the year \$2,103,807.75. This consisted of old rental equipment recorded since July 1, 1966 in the amount \$27,300.00, and an operating gain of \$2,076,507.75.

Analysis of Funded Reserve for the Equipment Fund is shown on Schedule E-1.

EXHIBIT "F"
ANALYSIS OF SOURCE AND DISPOSITION OF FUNDS

The tabulations set forth on Exhibit "F" shows the source and disposition of funds for the Current Fund, Debt Service Fund of 1949 and Debt Service Fund of 1965 in the Aggregate amount of \$500,608,832.01.

EXHIBIT "G"
STATE AID TO MUNICIPALITIES—POWELL BILL
ALLOCATION AS OF JULY 1, 1966

This is the sixteenth annual State Street Aid allocation made to active incorporated municipalities in North Carolina under the provisions of Chapter 136 (Section 41.1-41.3). The allocation is a sum equal to the amount produced by one-half cent of the regular six cents per gallon State motor fuel tax, and is allotted to the total list of qualifying municipalities.

The Statutes require that the allocation be proportioned among the cities and towns on the basis of relative non-State system local street mileage and relative population. The latest certified Federal decennial census is used as the source of the population data. Each municipality furnishes its own local street mileage data, along with qualifying data, properly certified.

Municipalities establish their eligibility annually by submitting data concerning their municipal elections, ad valorem tax, other sources of income, and budget ordinances. There are some legally incorporated towns which do not qualify, as they do not perform the necessary municipal functions specified by the Statutes.

The sixteen annual allocations are as follows:

Year	Allocation	Number of Participating Municipalities
1951	\$ 4,543,096.20	386
1952	4,948,842.30	388
1953	5,244,203.40	394
1954	5,391,717.41	396
1955	5,711,978.98	399
1956	6,219,336.82	400
1957	6,477,032.18	405
1958	6,477,457.37	407
1959	6,768,363.70	409
1960	7,018,901.72	411
1961	7,356,135.97	415
1962	7,640,707.92	416
1963	8,078,232.00	419
1964	8,324,555.39	420
1965	8,776,008.98	422
1966	9,325,192.43	423
Total	<u>\$108,301,762.77</u>	

The annual increase throughout the sixteen allocations is directly related to the continued growth in statewide motor fuel consumption. As may be noted, the 1966 allocation is more than double the 1951 allocation, indicating an average 5% annual increase in fuel usage, and therefore in the traffic which uses it.

The Accounting Schedule of the 1966 allocation, and the allotments to the individual cities and towns are as follows:

ACCOUNTING SCHEDULE

Net Revenue Fiscal 1966

(Gross 6¢ Motor Fuel Tax less refunds)	\$111,938,285.80
1/4¢ per gallon or 1/12th of the above figure	9,328,190.48
Less 1% temporarily withheld	93,281.90
	\$ 9,234,908.58
Plus 1% temporarily withheld last year (1965)	87,805.72
Amount of 1966 funds to be allocated	\$ 9,322,714.30
Plus allocations to the following towns (to be deducted from the 1% temporarily withheld):	
Love Valley	\$ 755.28
Macon	1,071.15
McDonald	651.70
Revised 1966 allocation	\$ 9,325,192.43

Half of the above total allocation, or \$4,661,357.15, is to be divided among all qualified municipalities on the basis of relative 1960 U. S. Census *Population*. The above half for population divided by 1,914,461 (i. e., the population of all eligible and qualified municipalities) provides a per capita rate of \$2.4348.

Half of the above total allocation, or \$4,661,357.15, is to be divided among all qualified municipalities on the basis of relative *mileage* of non-State System or local streets complying with the Act. This half divided by 9,234.33 miles (i. e., the total length of all such streets) provides a per mile rate of \$504.7856.

We wish to express our appreciation to the officials and employees of the Highway Commission for their cooperation and assistance during the course of this audit.

Respectfully submitted,

HENRY L. BRIDGES, *State Auditor*

Prepared by J. E. PEARCE

Approved:

M. L. WIDENHOUSE
C. P. A.

April 10, 1968

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina
BALANCE SHEET
June 30, 1967

EXHIBIT "A"

CURRENT FUND
ASSETS

CASH:		
In Banks—(Schedule A-1).....	\$ 22,250.00	
On Deposit—State Treasurer—(Schedule A-2).....	67,089,757.47	
		\$ 67,112,007.47
ACCOUNTS RECEIVABLE:		
Travel Advances to Employees—(Schedule A-4).....	\$ 22,745.66	
State Departments—(Schedule A-5).....	420,054.76	
Enrollees—Group Insurance Program.....	26,367.26	
Department of Motor Vehicles—Imprest Fund.....	15,000.00	
Due From Utilities and Other Public Service Agencies—(Schedule A-6).....	183,287.58	
Due From Cities and Towns—(Schedule A-7).....	2,228,478.19	
Due From Former Employees—Payroll adjustment Loan.....	111.72	
Due From 1965 Bond Fund.....	8,670,846.96	
Due From Federal Government—(Schedule A-8).....	13,936,521.00	
Other Receivables—(Schedule A-9).....	104,397.44	
		25,607,810.57
FEDERAL AID ALLOCATIONS (SCHEDULE A-10).....		112,555,393.52
INVENTORIES:		
Stores.....	\$ 4,093,831.44	
Job Orders in Progress—Equipment.....	978.67	
Completed Parts—Equipment & Inventory in Transit (Schedule A-11).....	2,100,490.30	
		6,195,300.41
OTHER DEBITS:		
Undistributed Charges.....	\$ 1,466.97	
Securities Held For Others.....	391,000.00	
Advance Acquisition of Right-of-Way.....	528,531.26	
		920,998.23
TOTAL ASSETS.....		\$212,391,510.20

LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS

LIABILITIES:		
Accounts Payable.....	\$ 8,295,624.21	
Due to Equipment Fund.....	4,853,390.09	
Allowance for Employees, Vacation, Sick Leave, Holidays and Compensatory Leave.....	2,583,850.45	
Advance Payments Life Insurance Premiums.....	15,114.71	
Accrued Payroll.....	1,283,022.54	
Accrued Taxes.....	2,189.79	
		\$ 17,033,191.79

EXHIBIT "A" Continued

LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS (Cont'd.):

OTHER CREDITS:			
Special Deposits.....		\$ 472,372.84	
Deferred Proceeds from sale of Capital Assets.....		21,725.00	
Undistributed Motor Vehicle Revenue.....		19,987.55	
			514,085.39
ENCUMBRANCE ALLOTMENTS: (SCHEDULE A-18)			
STATE MAINTENANCE AND CONSTRUCTION:			
Primary System.....		\$ 14,055,799.46	
Secondary System.....		28,646,876.17	
Urban System.....		10,184,288.34	
Public Service Roads.....		1,486,897.12	
Capital Improvements.....		1,252,174.50	
Federal Aid HPS/HPR/PR.....		428,036.05	
Federal Aid Construction.....		92,233,939.59	
			\$148,288,011.23
RESERVES AND SURPLUS:			
Reserves:			
Reserve for Federal Participation—HPS/HPR/PR.....	\$ 1,161,025.98		
Reserve for Federal Aid Construction—(Schedule A-12).....	31,187,838.54	\$ 32,348,864.52	
RESERVE FOR STATE FUNDS TO MATCH FEDERAL FUNDS:			
HPS/HPR/PR.....		410,714.22	
Construction.....		552,915.15	
Reserve for State Aid to Municipalities.....		103,622.04	
Reserve for Capital Improvements.....		252,880.20	
Reserve for Additional Salary Requirements.....		288,000.00	
Reserve for Highway Safety Program.....		2,957,969.00	
Reserve for Appropriations in Excess of Estimated Revenue.....		6,004,782.00	
		\$ 42,919,747.13	
UNAPPROPRIATED SURPLUS:			
Balance July 1, 1966.....	\$ 4,199,382.73		
Less—Transfer to Appropriations.....	51,917.00		
	\$ 4,147,465.73		
Less—Balance From Current Year's Operation.....	510,991.07*		
		3,636,474.66	
			46,556,221.79
TOTAL LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS			\$212,391,510.20

FOOTNOTE:

This Balance Sheet makes no provisions for amounts due contractors for Road Construction nor amounts due or Payable for Professional Consultants Fees at June 30, 1967.

BALANCE SHEET

June 30, 1967

EXHIBIT "B"

DEBT SERVICE FUND

ROAD BONDS 1949

ASSETS

Cash on Deposit—State Treasurer	\$37,132,687.50
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FUNDED RESERVE

Funded Reserve for Debt Service	
Secondary Road Bonds of 1949	\$37,132,687.50

PRINCIPAL RESERVE	\$36,000,000.00
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INTEREST RESERVE	1,132,687.50
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	<u>\$37,132,687.50</u>
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NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina
STATEMENT OF BONDED INDEBTEDNESS AND DEBT SERVICE
REQUIREMENTS FOR SECONDARY ROAD BONDS

SCHEDULE B-1

As of June 30, 1967

Fiscal Year	Bonds	Interest	Total	Bonds Retired		Interest Paid Current Year	Bonds Outstanding
				As of June 30, '66	Current Year		
1949-50-----		\$ 1,742,937.50	\$ 1,742,937.50				\$200,000,000.00
1950-51-----	\$ 6,000,000.00	2,332,500.00	8,332,500.00	\$ 6,000,000.00			152,400,000.00
1951-52-----	6,100,000.00	3,667,250.00	9,767,250.00	6,100,000.00			
1952-53-----	5,500,000.00	3,435,250.00	8,935,250.00	5,500,000.00			\$ 47,600,000.00
1953-54-----	9,400,000.00	3,245,750.00	12,645,750.00	9,400,000.00			11,600,000.00
1954-55-----	9,550,000.00	2,922,062.50	12,472,062.50	9,550,000.00			
1955-56-----	9,700,000.00	2,591,375.00	12,291,375.00	9,700,000.00			\$ 36,000,000.00
1956-57-----	9,850,000.00	2,308,312.50	12,158,312.50	9,850,000.00			
1957-58-----	10,000,000.00	2,174,250.00	12,174,250.00	10,000,000.00			
1958-59-----	10,200,000.00	2,035,000.00	12,235,000.00	10,200,000.00			
1959-60-----	10,350,000.00	1,899,562.50	12,249,562.50	10,350,000.00			
1960-61-----	10,500,000.00	1,759,250.00	12,259,250.00	10,500,000.00			
1961-62-----	10,700,000.00	1,616,750.00	12,316,750.00	10,700,000.00			
1962-63-----	10,850,000.00	1,462,062.50	12,312,062.50	10,850,000.00			
1963-64-----	11,050,000.00	1,305,187.50	12,355,187.50	11,050,000.00			

Secondary Road Bonds Authorized and Issued—Chapter 1250 Session Laws 1949

Less: Bonds Retired as of June 30, 1966-----

Bonds Retired 1966-67-----

Bonds Outstanding June 30, 1967-----

SCHEDULE B-1 Continued

Fiscal Year	Bonds	Interest	Total	Bonds Retired		Interest Paid Current Year	Bonds Outstanding
				As of June 30, '66	Current Year		
1964-65.....	11,250,000.00	1,136,750.00	12,386,750.00	11,250,000.00			
1965-66.....	11,400,000.00	956,875.00	12,356,875.00	11,400,000.00			
1966-67.....	11,600,000.00	781,875.00	12,381,875.00		\$ 11,600,000.00	\$ 781,875.00	\$ 11,800,000.00
1967-68.....	11,800,000.00	578,187.50	12,378,187.50				12,000,000.00
1968-69.....	12,000,000.00	368,250.00	12,368,250.00				12,200,000.00
1969-70.....	12,200,000.00	186,250.00	12,386,250.00				
	\$200,000,000.00	\$ 38,508,687.50	\$238,508,687.50	\$152,400,000.00	\$ 11,600,000.00	\$ 781,875.00	\$ 36,000,000.00

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina
BALANCE SHEET

June 30, 1967

BOND FUND OF 1965

EXHIBIT "C"

ASSETS		LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS	
CASH: On Deposit—State Treasurer..... On Deposit—State Treasurer For Bond Anticipation Notes and Interest.....	\$ 24,136,209.30	LIABILITIES: Due to Current Fund..... Advance Participation Others..... Bond Anticipation Notes Payable.....	\$ 8,670,846.96 4,577.33 60,000,000.00
	60,079,877.78		\$ 68,675,424.29
		OTHER CREDITS: Accrued Interest From Sale of Bonds.....	79,877.78
ACCOUNTS RECEIVABLE: Bond Program—Other Participations.....	91,065.00	RESERVES: UNALLOTTED RESERVES: Reserve for Expenditures—Bond Proceeds..... Reserve for Expenditures Cities and Towns..... Reserve for Expenditures Property Owners.....	\$300,000,000.00 110,515.00 68,677.97
BONDS: Bonds Authorized..... Less Bonds Issued.....	\$300,000,000.00 60,000,000.00		\$300,179,192.97
	240,000,000.00	DEDUCT: Allotments Brought Forward 7-1-66..... Allotments Current Year..... (Schedule C-1).....	\$ 36,632,137.19 77,229,487.92
			113,861,625.11
		TOTAL UNALLOTTED RESERVE.....	\$ 186,317,567.86

EXHIBIT "C" Continued

ASSETS		LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS	
		TOTAL ALLOTMENTS ABOVE.....	\$113,861,625.11
		DEDUCT:	
		Exp. Brought Forward 7-1-66 \$	2,355,512.15
		Exp. Current Year.....	42,271,830.81
			<u>44,627,342.96</u>
		TOTAL UNEXPENDED ALLOTMENTS.....	69,234,282.15
		TOTAL UNEXPENDED RESERVES (Schedule C-1).....	
		TOTAL LIABILITIES AND RESERVES.....	
			255,551,850.01
			<u>\$324,307,152.08</u>

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina

STATEMENT OF BOND FUNDS AUTHORIZED, ALLOCATIONS TO WORK ORDERS
EXPENDITURES AND UNEXPENDED BALANCE

For Period July 1, 1965 to June 30, 1967

SCHEDULE C-1

	Funds Authorized By Act	Participation By Others	Total Funds Available	Allocations To Work Orders	Expenditures	Unexpended Balance Funds Authorized
Primary System.....	\$150,000,000.00		\$150,000,000.00	\$ 38,844,089.60	\$ 15,854,196.62	\$134,145,803.38
Secondary System.....	75,000,000.00	\$ 68,677.97	75,068,677.97	45,678,381.40	22,646,719.18	52,421,958.79
Urban System.....	75,000,000.00	110,515.00	75,110,515.00	29,339,154.11	6,126,427.16	68,984,087.84
	\$300,000,000.00	\$ 179,192.97	\$300,179,192.97	\$113,861,625.11	\$ 44,627,342.96	\$255,551,850.01
				Exhibit "C"		Exhibit "C"

BALANCE SHEET
June 30, 1967

EXHIBIT "D"

DEBT SERVICE FUND
HIGHWAY CONSTRUCTION BONDS OF 1965

ASSETS

Cash on Deposit—State Treasurer.....	\$ 12,112,450.06
	\$ 12,112,450.06

FUNDED RESERVE

Funded Reserve for Debt Service—Highway Construction Bonds of 1965.....	\$ 12,112,450.06
	\$ 12,112,450.06

BALANCE SHEET
June 30, 1967

EXHIBIT "E"

EQUIPMENT FUND

ASSETS

Due from Current Fund (Sch. E-1).....	\$ 4,853,390.09
Equipment.....	\$ 58,147,919.89
Less—Accumulated Depreciation.....	30,499,696.99
	27,648,222.90
Net Book Value of Equipment.....	27,648,222.90
TOTAL ASSETS.....	\$ 32,501,612.99

INVESTMENT

Investment in Equipment Fund.....	\$ 32,321,612.99
Equipment on loan from Federal Government.....	180,000.00
	\$ 32,501,612.99

(See Footnote on Schedule E-1)

ANALYSIS OF SOURCE AND DISPOSITION OF FUNDS
CURRENT FUND, DEBT SERVICE FUND OF 1949 AND DEBT SERVICE FUND OF 1965
For Fiscal Year Ended June 30, 1967

EXHIBIT "F"

Source of Funds:	Total	Current Fund	Debt Service Fund 1949	Debt Service Fund 1965
SURPLUS AND RESERVES BROUGHT FORWARD FROM PRIOR YEAR:				
Unappropriated Surplus.....	\$ 4,199,382.73	\$ 4,199,382.73	\$ -0-	\$ -0-
Federal Participation HPS/HPR.....	1,040,279.16	1,040,279.16		
Federal Participation — Construction.....	16,874,671.03	16,874,671.03		
State Funds to match Federal Funds — HPS/HPR.....	261,517.67	261,517.67		
State Funds to match Federal Funds — Construction.....	1,528,175.31	1,528,175.31		
State Aid to Municipalities.....	70,193.68	70,193.68		
Capital Improvement Fund 1961-63.....	12,887.56	12,887.56		
Capital Improvement Fund 1963-65.....	291,100.19	291,100.19		
Capital Improvement Fund 1965-67.....	493,800.00	493,800.00		
Employers Contribution to Retirement System.....	369,000.00	369,000.00		
Additional Salary Requirements.....	195,000.00	195,000.00		
Department of Motor Vehicles.....	491,156.00	491,156.00		
Appropriation in excess of estimated Revenue 1966-67.....	2,940,678.00	2,940,678.00		
Debt Service Fund.....	41,927,990.02	41,927,990.02		
TOTAL RESERVE FUNDS BROUGHT FORWARD FROM PRIOR YEAR.....	\$ 70,685,831.35	\$ 28,767,841.33	\$ 41,927,990.02	\$ -0-
UNEXPENDED ALLOTMENTS BROUGHT FORWARD FROM PRIOR YEAR:				
Federal Aid Construction.....	\$111,707,837.24	\$111,707,837.24	\$ -0-	\$ -0-
Capital Improvement Fund 1961-63.....	1,634.65*	1,634.65*		
Capital Improvement Fund 1963-65.....	384,123.84	384,123.84		
Capital Improvement Fund 1965-67.....	1,709,983.94	1,709,983.94		
Primary.....	11,917,586.26	11,917,586.26		
Secondary.....	25,768,730.83	25,768,730.83		
Urban.....	7,302,188.37	7,302,188.37		
Public Service Roads.....	1,219,330.61	1,219,330.61		
HPS/HPR.....	758,836.79	758,836.79		
TOTAL UNEXPENDED ALLOTMENTS BROUGHT FORWARD FROM PRIOR YEAR.....	\$160,766,983.23	\$160,766,983.23	\$ -0-	\$ -0-

EXHIBIT "F" Continued

	Total	Current Fund	Debt Service Fund 1949	Debt Service Fund 1965
STATE REVENUE COLLECTIONS:				
Current Fund (Exhibit "B")	\$180,655,692.28	\$180,655,692.28	\$ -0-	\$ -0-
Debt Service Fund (Exhibit "B")	20,899,022.54		13,850,233.74	7,048,788.80
	\$201,554,714.82	\$180,655,692.28	\$ 13,850,233.74	\$ 7,048,788.80
PARTICIPATION REVENUE:				
Current Fund (Exhibit "B"):				
HPS/HPR	\$ 872,026.82	\$ 872,026.82	\$ -0-	\$ -0-
Construction	59,508,332.51	59,508,332.51		
Property Owners	591,612.50	591,612.50		
Cities and Towns	1,083,214.82	1,083,214.82		
	\$ 62,055,186.65	\$ 62,055,186.65	\$ -0-	\$ -0-
TOTAL PARTICIPATION REVENUE				
DEPARTMENTAL RECEIPTS:				
Current Fund (Exhibit "C"):				
Highway Commission	\$ 921,494.35	\$ 921,494.35	\$ -0-	\$ -0-
Department of Motor Vehicles	4,614,621.61	4,614,621.61		
	\$ 5,536,115.96	\$ 5,536,115.96	\$ -0-	\$ -0-
TOTAL DEPARTMENTAL RECEIPTS				
TRANSFER FROM 1949 DEBT SERVICE FUND TO 1965 DEBT SERVICE FUND	\$ -0-	\$ -0-	\$ 6,263,661.26*	\$ 6,263,661.26
TOTAL AVAILABLE FUNDS	\$500,608,832.01	\$437,781,819.45	\$ 49,514,562.50	\$ 13,312,450.06
DISPOSITION OF FUNDS:				
EXPENDITURES (EXHIBIT "C"):				
Highway Departmental Operations	\$210,891,621.69	\$210,891,621.69	\$ -0-	\$ -0-
Non-Highway Departmental Operations	22,720,772.31	22,720,772.31		
State Aid to Municipalities	9,325,192.43	9,325,192.43		
Secondary Road Bond Retirements	12,381,875.00		12,381,875.00	1,200,000.00
Bonds of 1965 — Interest on Tax Anticipation Notes	1,200,000.00			
	\$256,519,461.43	\$242,937,586.43	\$ 12,381,875.00	\$ 1,200,000.00
TOTAL EXPENDITURES				

EXHIBIT "F" Continued

	Total	Current Fund	Debt Service Fund 1949	Debt Service Fund 1965
UNEXPENDED ALLOTMENTS CARRIED FORWARD:				
For STATE MAINTENANCE AND CONSTRUCTION:				
Primary System.....	\$ 14,055,799.46	\$ 14,055,799.46	\$ -0-	\$ -0-
Secondary System.....	28,646,876.17	28,646,876.17		
Urban System.....	10,184,288.34	10,184,288.34		
Public Service Roads.....	1,486,897.12	1,486,897.12		
Federal Aid.....	92,661,975.64	92,661,975.64		
Capital Improvement Funds.....	1,252,174.50	1,252,174.50		
TOTAL UNEXPENDED ALLOTMENTS CARRIED FORWARD.....	\$148,288,011.23	\$148,288,011.23	\$ -0-	\$ -0-
RESERVES CARRIED FORWARD:				
For Federal Participation — Construction and Planning.....	\$ 32,348,864.52	\$ 32,348,864.52	\$ -0-	\$ -0-
For State Funds to Match Federal Funds — Construction and Planning.....	963,629.37	963,629.37		
For State Aid to Municipalities.....	103,622.04	103,622.04		
For Capital Improvement Funds.....	252,880.20	252,880.20		
For Additional Salary Requirements.....	288,000.00	288,000.00		
For Highway Safety Program.....	2,657,969.00	2,657,969.00		
For Appropriations in Excess of Estimated Revenue 1967-68.....	3,565,848.00	3,565,848.00		
For Appropriations in Excess of Estimated Revenue 1968-69.....	2,438,934.00	2,438,934.00		
For Debt Service Secondary Road Bonds.....	37,132,687.50	37,132,687.50		
For Debt Service — Construction Bonds of 1965.....	12,112,450.06			12,112,450.06
TOTAL RESERVES CARRIED FORWARD.....	\$ 92,164,884.60	\$ 42,919,747.13	\$ 37,132,687.50	\$ 12,112,450.06
Unappropriated Surplus from Prior Years.....	\$ 4,147,465.73	\$ 4,147,465.73	\$ -0-	\$ -0-
From Current Years Operations.....	510,991.07*	510,991.07*		
TOTAL UNAPPROPRIATED SURPLUS.....	\$ 3,636,474.66	\$ 3,636,474.66	\$ -0-	\$ -0-
TOTAL DISPOSITION OF FUNDS.....	\$500,608,832.01	\$437,781,819.45	\$ 49,514,562.50	\$ 13,312,450.06

* Indicates Red Figures

STATE AID TO MUNICIPALITIES AUTHORIZED UNDER G.S. 136-41 TO 136-41.3 KNOWN AS POWELL BILL
Allocation as of July 1, 1966

EXHIBIT "G"

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Aberdeen.....	Moore	8	1,531	\$ 3,727.70	9.77	\$ 4,931.76	\$ 8,659.46
Alsookie.....	Hertford	1	4,583	11,158.75	24.53	12,382.39	23,541.14
Albemarle.....	Stanly	10	12,261	29,853.26	70.12	35,395.57	65,248.83
Alexander Mills.....	Rutherford	13	947	2,305.77	4.99	2,518.88	4,824.65
Andrews.....	Cherokee	14	1,404	3,418.48	11.14	5,623.31	9,041.79
Angier.....	Harnett	6	1,249	3,041.08	8.86	4,472.40	7,513.48
Ansonville.....	Anson	10	558	1,358.63	7.75	3,912.09	5,270.72
Apex.....	Wake	5	1,368	3,330.83	12.97	6,547.07	9,877.90
Arlington.....	Yadkin	11	590	1,436.54	6.00	3,028.71	4,465.25
Asheboro.....	Randolph	8	9,449	23,006.56	45.79	23,114.13	46,120.69
Asheville.....	Buncombe	13	60,192	146,556.35	329.01	166,079.52	312,635.87
Askeville.....	Bertie	1	195	474.79	1.21	610.79	1,085.58
Atkinson.....	Pender	3	302	735.31	3.79	1,913.14	2,648.45
Atlantic Beach.....	Carteret	2	76	185.05	7.57	3,821.23	4,006.28
Aulander.....	Bertie	1	1,083	2,636.90	4.84	2,443.16	5,080.06
Aurora.....	Beaufort	2	449	1,093.23	6.50	3,281.11	4,374.34
Autryville.....	Sampson	3	192	467.48	3.44	1,736.46	2,203.94
Ayden.....	Pitt	2	3,108	7,567.40	17.54	8,853.94	16,421.34
Bailey.....	Nash	4	795	1,935.68	4.54	2,291.73	4,227.41
Bakersville.....	Mitchell	13	393	956.88	2.75	1,388.16	2,345.04
Banner Elk.....	Avery	11	564	1,373.24	3.70	1,867.71	3,240.95
Bath.....	Beaufort	2	346	842.45	2.35	1,186.25	2,028.70
Battleboro.....	Nash	4	364	886.27	2.41	1,216.53	2,102.80
Bayboro.....	Pamlico	2	545	1,326.97	3.45	1,741.51	3,068.48
Bear Grass.....	Martin	1	103	250.79	0.55	277.63	528.42

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Beaufort.....	Carteret.....	2	2,922	\$ 7,114.53	12.78	\$ 6,451.16	\$ 13,565.69
Belhaven.....	Beaufort.....	2	2,386	5,809.47	15.13	7,637.41	13,446.88
Belmont.....	Gaston.....	12	5,007	12,191.12	16.80	8,480.40	20,671.52
Benson.....	Johnston.....	4	2,355	5,733.99	14.52	7,329.49	13,063.48
Bessemer City.....	Gaston.....	12	4,017	9,780.65	30.65	15,471.68	25,252.33
Bethel.....	Pitt.....	2	1,578	3,842.14	8.05	4,063.53	7,905.67
Beulaville.....	Duplin.....	3	1,062	2,585.77	9.43	4,760.13	7,345.90
Bitmore Forest.....	Buncombe.....	13	1,004	2,444.55	16.22	8,187.62	10,632.17
Biscoe.....	Montgomery.....	8	1,053	2,563.86	6.89	3,477.97	6,041.83
Black Creek.....	Wilson.....	4	310	754.79	1.71	863.18	1,617.97
Black Mountain.....	Buncombe.....	13	1,313	3,196.91	10.80	5,451.69	8,648.60
Bladenboro.....	Bladen.....	6	774	1,884.55	4.94	2,493.64	4,378.19
Blowing Rock.....	Watauga.....	11	711	1,731.15	18.13	9,151.76	10,882.91
Boiling Springs.....	Cleveland.....	12	1,311	3,192.04	7.54	3,806.08	6,998.12
Boiling Spring Lakes.....	Brunswick.....	3	-0-	-0-	49.43	24,951.55	24,951.55
Bolivia.....	Brunswick.....	3	201	489.40	0.94	474.50	963.90
Bolton.....	Columbus.....	6	617	1,502.28	5.69	2,872.23	4,374.51
Boone.....	Watauga.....	11	3,686	8,974.73	29.94	15,113.28	24,088.01
Boonville.....	Yadkin.....	11	539	1,312.36	4.90	2,473.45	3,785.81
Bostic.....	Rutherford.....	13	274	667.14	3.13	1,579.98	2,247.12
Brevard.....	Transylvania.....	14	4,857	11,825.89	15.19	7,667.69	19,493.58
Bridgeton.....	Craven.....	2	638	1,553.41	2.11	1,065.10	2,618.51
Broadway.....	Lee.....	8	466	1,134.62	5.24	2,645.08	3,779.70
Brookford.....	Catawba.....	12	596	1,451.15	3.66	1,847.52	3,298.67
Brunswick.....	Columbus.....	6	169	411.48	0.75	378.59	730.07
Bryson City.....	Swain.....	14	1,084	2,639.34	8.24	4,159.43	6,798.77
Bunn.....	Franklin.....	5	332	808.36	1.77	893.47	1,701.83
Burgaw.....	Pender.....	3	1,750	4,260.93	12.87	6,496.59	10,757.52
Burlington.....	Alamance.....	7	33,199	80,833.40	148.33	74,874.85	155,708.25
Burnsville.....	Yancey.....	13	1,388	3,379.52	10.15	5,123.57	8,503.09

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Calypso.....	Duplin.....	3	633	\$ 1,511.24	5.47	\$ 2,761.18	\$ 4,302.42
Cameron.....	Moore.....	8	298	725.57	2.29	1,155.96	1,881.53
Candor.....	Montgomery.....	8	593	1,443.84	4.98	2,513.83	3,957.67
Canton.....	Haywood.....	14	5,068	12,339.64	23.84	12,034.09	24,373.73
Cape Carterett.....	Carteret.....	2	73	177.74	11.49	5,799.99	5,977.73
Carolina Beach.....	New Hanover.....	3	1,192	2,902.30	20.87	10,534.88	13,437.18
Carboro.....	Orange.....	7	1,997	4,862.32	8.66	4,371.44	9,233.76
Carthage.....	Moore.....	8	1,190	2,897.43	6.33	3,195.29	6,092.72
Cary.....	Wake.....	5	3,356	8,171.24	24.13	12,180.48	20,351.72
Castalia.....	Nash.....	4	267	650.10	1.06	535.07	1,185.17
Catawba.....	Catawba.....	12	504	1,227.15	3.68	1,857.61	3,084.76
Chadbourne.....	Columbus.....	6	2,323	5,656.07	13.77	6,950.90	12,606.97
Chapel Hill.....	Orange.....	7	12,573	30,612.92	45.09	22,760.79	53,373.71
Charlotte.....	Mecklenburg.....	10	201,564	490,770.92	710.34	358,569.43	849,340.35
Cherryville.....	Gaston.....	12	3,607	8,782.38	28.28	14,275.34	23,057.72
China Grove.....	Rowan.....	9	1,500	3,632.22	8.31	4,194.77	7,846.99
Chocowinity.....	Beaufort.....	2	580	1,412.19	1.51	762.23	2,174.42
Claremont.....	Catawba.....	12	728	1,772.54	4.06	2,049.43	3,821.97
Clarkton.....	Bladen.....	6	662	1,611.85	8.35	4,214.96	5,826.81
Clayton.....	Johnston.....	4	3,302	8,039.76	15.81	7,980.66	16,020.42
Cleveland.....	Rowan.....	9	594	1,446.28	3.49	1,761.70	3,207.98
Clinton.....	Sampson.....	3	7,461	18,166.15	34.68	17,505.97	35,672.12
Clyde.....	Haywood.....	14	680	1,655.67	3.74	1,887.90	3,543.57
Coats.....	Harnett.....	6	1,049	2,554.12	7.53	3,801.04	6,355.16
Colerain.....	Bertie.....	1	340	827.84	0.67	338.21	1,166.05
Columbia.....	Tyrrell.....	1	1,099	2,675.86	3.92	1,978.76	4,654.62
Columbus.....	Polk.....	14	725	1,765.24	6.27	3,165.01	4,930.25
Concord.....	Cabarrus.....	10	17,799	43,337.26	69.71	35,188.61	78,525.87
Conetoe.....	Edgecombe.....	4	147	357.92	2.02	1,019.67	1,377.59
Conover.....	Catawba.....	12	2,281	5,553.81	20.42	10,307.72	15,861.53

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Conway.....	Northampton.....	1	662	\$ 1,611.85	3.13	\$ 1,579.98	\$ 3,191.83
Conelius.....	Mecklenburg.....	10	1,444	3,515.87	8.65	4,366.39	7,882.26
Cove City.....	Graven.....	2	551	1,341.58	2.31	1,166.05	2,507.63
Creedmoor.....	Granville.....	5	862	2,098.81	6.91	3,488.07	5,586.88
Creswell.....	Washington.....	1	402	978.80	1.51	762.23	1,741.03
Crossnore.....	Avery.....	11	277	674.44	1.84	928.80	1,603.24
Dallas.....	Gaston.....	12	3,270	7,961.84	17.76	8,964.99	16,926.83
Danbury.....	Stokes.....	9	175	426.09	2.64	1,332.63	1,758.72
Davidson.....	Mecklenburg.....	10	2,573	6,264.78	10.61	5,355.77	11,620.55
Denton.....	Davidson.....	9	852	2,074.46	8.27	4,174.58	6,249.04
Dillsboro.....	Jackson.....	14	140	340.88	2.41	1,216.53	1,557.41
Dobson.....	Surry.....	11	684	1,665.41	5.98	3,018.62	4,684.03
Dover.....	Craven.....	2	651	1,585.07	2.21	1,115.58	2,700.65
Draper.....	Rockingham.....	7	3,382	8,234.54	17.07	8,616.69	16,851.23
Drexel.....	Burke.....	13	1,146	2,790.30	9.46	4,775.27	7,565.57
Dublin.....	Bladen.....	6	366	891.14	2.50	1,261.96	2,153.10
Dunn.....	Harnett.....	6	7,566	18,421.81	39.14	19,757.31	38,179.12
Durham.....	Durham.....	5	78,302	190,650.83	302.87	152,884.43	343,535.26
East Bend.....	Yadkin.....	11	446	1,085.93	4.29	2,165.53	3,251.46
East Spencer.....	Scotland.....	8	695	1,692.20	2.67	1,347.78	3,039.98
Edenton.....	Rowan.....	9	2,171	5,285.98	12.83	6,476.40	11,762.38
Elizabeth City.....	Chowan.....	1	4,458	10,854.40	16.25	8,202.77	19,057.17
Elizabethtown.....	Pasquotank.....	1	14,062	34,238.36	41.08	20,736.59	54,974.95
Elkin.....	Bladen.....	6	1,625	3,956.57	8.98	4,532.97	8,489.54
Elk Park.....	Surry.....	11	2,868	6,983.05	19.02	9,601.02	16,584.07
Ellenboro.....	Avery.....	11	460	1,120.01	3.70	1,867.71	2,987.72
Ellerbe.....	Rutherford.....	13	492	1,197.93	4.80	2,422.97	3,620.90
Elm City.....	Richmond.....	8	843	2,052.55	8.01	4,043.33	6,095.88
Elon College.....	Wilson.....	4	729	1,774.98	4.65	2,347.25	4,122.23
	Alamance.....	7	1,284	3,126.30	5.77	2,912.61	6,038.91

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Emerald Isle.....	Currier	2	14	\$ 34.09	10.61	\$ 5,355.78	\$ 5,389.87
Enfield.....	Halifax	4	2,978	7,250.88	17.02	8,591.45	15,842.33
Wayne.....	Wayne	4	246	598.96	1.35	681.46	1,280.42
Everetts.....	Martin	1	225	547.83	1.14	575.46	1,123.29
Fair Bluff.....	Columbus	6	1,030	2,507.86	12.87	6,496.59	9,004.45
Farmont.....	Robeson	3	2,286	5,565.99	15.30	7,723.22	13,289.21
Faison.....	Duplin	6	666	1,621.50	6.87	3,467.88	5,089.47
Faith.....	Rowan	9	494	1,202.80	4.90	2,473.45	3,676.25
Falcon.....	Cumberland	6	235	572.18	1.82	918.71	1,490.89
Falkland.....	Pitt	2	140	340.87	0.05	25.24	366.11
Farville.....	Pitt	2	3,997	9,731.95	21.73	10,968.99	20,700.94
Fayetteville.....	Cumberland	6	47,106	114,694.37	187.61	94,702.83	209,397.20
Forest City.....	Rutherford	13	6,556	15,962.64	33.89	17,107.19	33,069.83
Fountain.....	Pitt	2	496	1,207.67	3.26	1,645.60	2,853.27
Four Oaks.....	Johnston	4	1,010	2,459.16	7.04	3,553.69	6,012.85
Franklin.....	Macon	14	2,173	5,290.85	17.30	8,732.79	14,023.64
Franklin.....	Franklin	5	1,513	3,683.87	8.14	4,108.96	7,792.83
Franklinville.....	Randolph	8	686	1,670.28	4.48	2,261.44	3,931.72
Fremont.....	Wayne	4	1,609	3,917.62	10.12	5,108.43	9,026.05
Fuquay-Varina.....	Wake	5	3,389	8,251.59	20.58	10,388.49	18,640.08
Garland.....	Sampson	3	642	1,563.15	9.75	4,921.66	6,484.81
Garner.....	Wake	5	3,451	8,402.54	18.13	9,151.76	17,554.30
Garysburg.....	Northampton	1	181	440.70	1.30	636.22	1,096.92
Gaston.....	Northampton	1	1,214	2,955.87	8.83	4,457.26	7,413.13
Gastonia.....	Gaston	12	37,276	90,760.14	181.73	93,249.05	184,009.19
Gatesville.....	Gates	1	460	1,120.02	1.77	893.47	2,013.49
Gibson.....	Scotland	8	501	1,219.84	4.43	2,236.20	3,456.04
Gibsonville.....	Guilford	7	1,784	4,343.71	10.75	5,426.45	9,770.16
Glen Alpine.....	Burke	13	734	1,787.15	3.62	1,827.32	3,614.47
Goldboro.....	Wayne	4	28,873	70,300.40	106.54	53,779.86	124,080.26

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Goldston.....	Chatham.....	8	374	\$ 910.62	3.97	\$ 2,001.00	\$ 2,914.62
Graham.....	Alamance.....	7	7,723	18,804.07	37.32	19,838.60	37,642.67
Granite Falls.....	Calwell.....	11	2,644	6,437.65	17.03	8,596.50	15,034.15
Granite Quarry.....	Rowan.....	9	1,059	2,578.47	6.86	3,462.83	6,041.30
Greensboro.....	Guilford.....	7	119,574	291,140.49	527.84	266,446.05	557,586.54
Greenville.....	Pitt.....	2	22,860	55,650.86	101.49	51,230.69	106,880.55
Grifton.....	Pitt.....	2	1,816	4,421.62	7.01	3,538.55	7,960.17
Grimesland.....	Pitt.....	2	362	881.40	2.15	1,085.29	1,966.69
Grover.....	Cleveland.....	12	538	1,309.93	4.93	2,488.59	3,798.52
Halifax.....	Halifax.....	4	370	900.88	3.47	1,751.61	2,652.49
Hamilton.....	Martin.....	1	565	1,375.67	3.68	1,857.61	3,233.28
Hamlet.....	Richmond.....	8	4,460	10,850.27	29.60	14,941.65	25,800.92
Harmony.....	Iredell.....	12	322	784.01	1.55	782.42	1,566.43
Harrellsville.....	Hertford.....	1	171	416.35	0.55	277.63	693.98
Hassell.....	Martin.....	1	147	357.92	1.69	853.09	1,211.01
Havelock.....	Craven.....	2	2,433	5,923.90	7.24	3,654.65	9,578.55
Hayesville.....	Clay.....	14	428	1,042.10	3.10	1,564.84	2,606.94
Hazelwood.....	Haywood.....	14	1,925	4,687.02	8.24	4,159.43	8,846.45
Henderson.....	Vance.....	5	12,740	31,019.54	59.38	29,974.17	60,993.71
Hendersonville.....	Henderson.....	14	5,911	14,392.19	40.06	20,221.71	34,613.90
Hertford.....	Perquimans.....	12	2,068	5,035.20	7.68	3,876.75	8,911.95
Hickory.....	Catawba.....	1	19,328	47,060.09	102.73	51,856.63	98,916.72
Highlands.....	Macon.....	14	597	1,453.58	12.89	6,506.69	7,960.27
High Point.....	Guilford.....	7	62,063	151,111.88	236.50	119,381.80	270,493.68
Hillsborough.....	Orange.....	7	1,349	3,284.57	6.22	3,139.77	6,424.34
Hobgood.....	Halifax.....	4	630	1,533.93	3.76	1,897.99	3,431.92
Hoffman.....	Richmond.....	8	344	837.58	12.61	6,365.35	7,202.93
Holly Ridge.....	Onslow.....	3	731	1,779.85	4.31	2,175.63	3,955.48
Holly Springs.....	Wake.....	5	558	1,358.63	3.64	1,837.42	3,196.05
Hookerton.....	Greene.....	2	358	871.66	2.19	1,105.48	1,977.14

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Hope Mills.....	Cumberland.....	6	1,109	\$ 2,700.21	11.40	\$ 5,751.56	\$ 8,454.77
Hot Springs.....	Madison.....	13	723	1,760.37	7.22	3,641.55	5,401.92
Hudson.....	Caldwell.....	11	1,536	3,739.88	11.31	5,709.12	9,449.00
Huntersville.....	Mecklenburg.....	10	1,004	2,414.56	9.41	4,765.18	7,209.74
Indian Trail.....	Union.....	10	364	886.27	1.49	752.13	1,638.40
Jackson.....	Northampton.....	1	765	1,892.63	3.87	1,953.52	3,816.15
Jacksonville.....	Onslow.....	3	13,491	32,848.08	51.33	25,910.65	58,758.73
James town.....	Guilford.....	7	1,247	3,036.21	5.40	2,725.81	5,762.05
Jamesville.....	Martin.....	1	538	1,309.93	2.86	1,443.69	2,753.62
Jefferson.....	Ashe.....	11	814	1,981.94	9.24	4,064.22	6,646.16
Jonesville.....	Yadkin.....	11	1,895	4,613.97	9.88	4,987.28	9,601.25
Kelford.....	Bertie.....	1	362	881.40	2.66	1,342.73	2,224.13
Kenansville.....	Duplin.....	3	724	1,762.81	5.13	2,589.55	4,352.36
Kenly.....	Johnston.....	4	1,147	2,792.73	6.14	3,099.38	5,892.11
Kernersville.....	Forsyth.....	9	2,942	7,163.22	16.48	8,318.87	15,482.09
Kill Devil Hills.....	Dare.....	1	268	652.53	19.84	10,011.05	10,667.48
Kings Mountain.....	Cleveland.....	12	8,008	19,497.99	42.93	21,670.45	41,168.44
Kinston.....	Lenoir.....	2	24,819	60,429.66	77.14	38,939.16	99,368.82
Kittrell.....	Vance.....	5	121	294.61	1.55	782.42	1,077.03
Knightdale.....	Wake.....	5	622	1,514.46	4.07	2,054.48	3,568.94
Kure Beach.....	New Hanover.....	3	293	713.40	7.19	3,629.41	4,342.81
LaGrange.....	Lenoir.....	2	2,133	5,193.46	10.49	5,295.20	10,488.66
Lake Lure.....	Rutherford.....	13	233	567.31	16.86	8,510.68	9,077.99
Lake Waccamaw.....	Columbus.....	6	780	1,899.16	6.22	3,139.77	5,038.93
Landis.....	Rowan.....	9	1,763	4,292.58	12.83	6,476.40	10,768.98
Lansing.....	Ashe.....	11	278	676.88	1.16	585.55	1,262.43
Lasker.....	Northampton.....	1	119	289.74	0.66	333.16	622.90
Lattimore.....	Cleveland.....	12	257	625.75	1.96	989.38	1,615.13
Laurel Park.....	Henderson.....	14	421	1,025.06	32.17	16,238.95	17,264.01
Laurinburg.....	Scotland.....	8	8,242	20,067.74	34.61	17,470.63	37,538.37

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Lawdale.....	Cleveland.....	12	723	\$ 1,760.37	4.91	\$ 2,478.50	4,238.87
Leaksville.....	Rockingham.....	7	6,427	15,648.55	34.02	17,172.81	32,821.36
Lenoir.....	Catwell.....	11	10,257	24,973.89	41.82	21,110.14	46,084.03
Lewiston.....	Bertie.....	1	360	876.53	1.38	696.61	1,573.14
Lexington.....	Davidson.....	9	16,093	39,183.47	82.61	41,700.31	80,883.81
Liberty.....	Randolph.....	8	1,438	3,501.26	15.08	7,612.17	11,113.43
Lilesville.....	Anson.....	10	635	1,546.11	4.17	2,104.96	3,651.07
Lillington.....	Harnett.....	6	1,242	3,024.04	11.98	6,047.33	9,071.37
Lincolnton.....	Lincoln.....	12	5,699	13,876.01	30.12	15,204.14	29,080.15
Linden.....	Cumberland.....	6	157	382.26	1.16	585.55	907.81
Littleton.....	Warren.....	5	1,024	2,493.25	5.96	3,008.52	5,501.77
Long Beach.....	Brunswick.....	3	102	248.35	76.09	38,409.14	38,657.49
Long View.....	Catawba.....	12	2,997	7,297.14	18.79	9,484.92	16,782.06
Louisburg.....	Franklin.....	5	2,862	6,968.44	12.19	6,153.31	13,121.78
Lowell.....	Gaston.....	12	2,784	6,778.52	13.65	6,890.32	13,668.84
Lucama.....	Wilson.....	4	498	1,212.54	2.31	1,166.06	2,378.60
Lumber Bridge.....	Robeson.....	6	100	243.48	1.57	792.51	1,035.99
Lumberton.....	Robeson.....	6	15,305	37,264.83	75.23	37,975.02	75,239.85
Macclesfield.....	Edgecombe.....	4	473	1,151.67	2.80	1,413.40	2,565.07
Madison.....	Rockingham.....	7	1,912	4,655.36	14.35	7,243.67	11,899.03
Magnolia.....	Duplin.....	3	629	1,531.50	5.17	2,009.74	4,141.24
Maiden.....	Catawba.....	12	2,039	4,964.59	13.66	6,895.37	11,859.96
Mantco.....	Dare.....	1	587	1,429.24	2.79	1,408.35	2,837.59
Marion.....	McDowell.....	13	3,345	8,144.45	12.56	6,340.11	14,484.56
Marshall.....	Madison.....	13	926	2,254.64	6.14	3,099.38	5,354.02
Mars Hill.....	Madison.....	13	1,574	3,832.40	3.73	1,882.85	5,715.25
Marshville.....	Union.....	10	1,360	3,311.35	6.78	3,422.45	6,733.80
Mathews.....	Mecklenburg.....	10	609	1,482.80	2.58	1,902.35	2,785.15
Maxton.....	Robeson.....	6	1,755	4,273.10	10.76	5,431.49	9,704.59
Mayodan.....	Rockingham.....	7	2,366	5,760.77	8.27	4,174.58	9,935.35

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Maysville.....	Jones.....	2	892	\$ 2,171.85	7.98	\$ 4,028.19	\$ 6,200.04
McAdenville.....	Gaston.....	12	748	1,821.24	3.93	1,983.81	3,805.05
McFarlan.....	Anson.....	10	161	392.01	0.95	479.55	871.56
McBane.....	Alamance.....	7	2,364	5,755.90	13.51	6,819.65	12,575.55
Micro.....	Johnston.....	4	350	852.18	2.62	1,322.54	2,174.72
Middleburg.....	Vance.....	5	170	413.92	1.89	954.04	1,367.96
Middlesex.....	Nash.....	4	588	1,431.67	5.05	2,549.17	3,980.84
Milton.....	Cashwell.....	7	235	572.18	1.81	913.66	1,485.84
Mocksville.....	Davie.....	9	2,379	5,792.42	16.69	8,424.87	14,217.29
Monroe.....	Union.....	10	10,882	26,495.65	81.79	41,286.42	67,782.07
Mooreville.....	Iredell.....	12	6,918	16,844.05	37.06	18,707.36	35,551.41
Morehead City.....	Carteret.....	2	5,583	13,593.57	19.08	9,631.31	23,224.88
Morganton.....	Burke.....	13	9,186	22,366.20	53.00	26,753.64	49,119.84
Morrisville.....	Wake.....	5	222	540.53	1.29	651.17	1,191.70
Morven.....	Anson.....	10	518	1,261.23	4.02	2,029.24	3,290.47
Mount Airy.....	Surry.....	11	7,055	17,177.62	28.86	14,568.11	31,745.73
Mount Gilead.....	Montgomery.....	8	1,229	2,992.39	8.86	4,472.40	7,464.79
Mount Holly.....	Gaston.....	12	4,037	9,829.35	23.45	11,837.22	21,666.57
Mount Olive.....	Wayne.....	4	4,673	11,377.89	23.95	12,089.62	23,467.51
Mount Pleasant.....	Cabarrus.....	10	1,041	2,534.64	7.18	3,624.36	6,159.00
Murfreesboro.....	Hertford.....	1	2,643	6,435.21	12.79	6,456.21	12,891.42
Murphy.....	Cherokee.....	14	2,235	5,441.81	12.36	6,239.15	11,680.96
Nags Head.....	Dare.....	1	728	1,772.54	5.48	2,766.22	4,538.76
Nashville.....	Nash.....	4	1,423	3,464.74	7.80	3,937.33	7,402.07
New Bern.....	Craven.....	2	15,717	38,267.98	51.12	25,804.64	64,072.62
Newland.....	Avery.....	11	564	1,373.24	7.19	3,629.41	5,002.65
New London.....	Stanly.....	10	223	542.96	3.19	1,610.27	2,153.23
Newport.....	Carteret.....	2	861	2,096.38	9.25	4,669.27	6,765.65
Newton.....	Catawba.....	12	6,658	16,210.99	45.78	23,109.09	39,320.08
Newton Grove.....	Sampson.....	3	477	1,161.41	2.71	1,367.97	2,529.38

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Norlina.....	Warren.....	5	927	\$ 2,257.07	7.82	\$ 3,947.42	\$ 6,204.49
North Wilkesboro.....	Wilkes.....	11	4,197	10,218.92	27.17	13,715.03	23,933.95
Norwood.....	Stanly.....	10	1,844	4,489.80	9.76	4,926.71	9,416.51
Oakboro.....	Stanly.....	10	581	1,414.63	6.26	3,159.96	4,574.59
Oak City.....	Martin.....	1	574	1,397.58	3.44	1,736.46	3,134.04
Ocean Isle Beach.....	Brunswick.....	3	5	12.17	8.95	4,517.83	4,530.00
Old Fort.....	McDowell.....	13	787	1,916.20	4.51	2,276.58	4,192.78
Oriental.....	Pamlico.....	2	522	1,270.97	5.45	2,751.08	4,022.05
Oxford.....	Granville.....	5	6,978	16,990.13	29.74	15,012.33	32,002.46
Pantego.....	Beaufort.....	2	262	637.92	0.55	277.63	915.55
Parkton.....	Robeson.....	6	906	2,205.94	4.78	2,412.88	4,618.82
Parmele.....	Martin.....	1	323	786.44	2.21	1,115.58	1,902.02
Peachland.....	Anson.....	10	563	1,370.80	4.97	2,508.79	3,879.59
Pembroke.....	Robeson.....	6	1,372	3,340.57	9.79	4,941.85	8,282.42
Pikeville.....	Wayne.....	4	525	1,278.28	3.45	1,741.51	3,019.79
Pilot Mountain.....	Surry.....	11	1,310	3,189.61	8.41	4,245.25	7,434.86
Pinebluff.....	Moore.....	8	509	1,239.32	7.91	3,992.86	5,232.18
Pine Level.....	Johnston.....	4	833	2,028.20	4.37	2,205.91	4,234.11
Pinetops.....	Edgecombe.....	4	1,372	3,340.57	9.47	4,780.32	8,120.89
Pineville.....	Mecklenburg.....	10	1,514	3,686.31	5.31	2,680.41	6,366.72
Pink Hill.....	Lenoir.....	2	457	1,112.71	5.22	2,634.98	3,747.69
Pittsboro.....	Chatham.....	8	1,215	2,958.30	8.39	4,235.15	7,193.45
Plymouth.....	Washington.....	1	4,666	11,360.84	18.64	9,409.20	20,770.04
Polkton.....	Anson.....	10	530	1,290.45	8.15	4,114.00	5,404.45
Pollocksville.....	Jones.....	2	416	1,012.88	3.07	1,549.69	2,562.57
Powellsville.....	Bertie.....	1	259	630.62	1.20	605.74	1,236.36
Princeton.....	Johnston.....	4	948	2,308.20	4.75	2,397.73	4,705.93
Princeville.....	Edgecombe.....	4	797	1,940.55	2.71	1,367.97	3,308.52
Proctorville.....	Robeson.....	6	188	457.75	1.52	767.27	1,225.02
Rae ford.....	Hoke.....	8	3,058	7,445.66	15.45	7,798.94	15,244.60

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Raleigh.....	Wake.....	5	93,931	\$ 228,704.55	339.84	\$ 171,546.35	\$ 400,250.90
Ramseur.....	Randolph.....	8	1,258	3,063.00	7.84	3,957.52	7,020.52
Randleman.....	Randolph.....	8	2,232	5,434.50	14.09	7,112.43	12,546.93
Randol.....	Gaston.....	12	2,067	5,032.76	4.56	2,301.82	7,334.58
Red Springs.....	Robeson.....	6	2,767	6,737.13	14.34	7,238.62	13,975.75
Reidsville.....	Rockingham.....	7	14,267	34,737.50	58.42	29,489.58	64,227.08
Rhodes.....	Caldwell.....	11	837	2,037.94	4.95	4,536.63	6,574.57
Richfield.....	Stanly.....	10	292	713.40	3.17	1,600.17	2,313.57
Richlands.....	Onslow.....	3	1,079	2,627.16	5.70	2,877.28	5,504.44
Rich Square.....	Northampton.....	1	1,134	2,761.08	6.03	3,043.86	5,804.94
Roanoke Rapids.....	Halifax.....	4	13,320	32,431.73	82.34	41,564.05	73,995.78
Robbins.....	Moore.....	8	1,294	3,150.65	7.38	3,725.32	6,875.97
Robbinsville.....	Graham.....	14	587	1,429.24	3.14	1,585.03	3,014.27
Robersonville.....	Martin.....	1	1,684	4,100.23	16.04	8,096.76	12,196.99
Rockingham.....	Richmond.....	8	5,512	13,420.70	27.81	14,038.09	27,458.79
Rockwell.....	Rowan.....	9	948	2,308.20	6.64	3,351.78	5,659.98
Rocky Mount.....	Nash-Edgecombe.....	4	32,147	78,271.98	130.62	65,935.10	144,207.08
Rolesville.....	Wake.....	5	358	871.66	1.61	812.70	1,684.36
Ronda.....	Wilkes.....	11	510	1,241.75	5.82	2,937.85	4,179.60
Roper.....	Washington.....	1	771	1,877.24	4.95	2,498.69	4,375.93
Roseboro.....	Sampson.....	3	1,354	3,296.74	10.45	5,275.01	8,571.75
Rose Hill.....	Duplin.....	3	1,292	3,145.78	11.50	5,805.03	8,950.81
Rosman.....	Transylvania.....	14	419	1,020.19	1.27	641.08	1,661.27
Rowland.....	Robeson.....	6	1,408	3,428.22	13.54	6,834.80	10,263.02
Roxboro.....	Person.....	5	5,147	12,531.99	19.81	9,999.80	22,531.79
Roxobel.....	Bertie.....	1	452	1,100.51	2.32	1,171.10	2,271.64
Ruth.....	Rutherford.....	13	529	1,288.02	1.63	822.80	2,110.82
Rutherfordton.....	Rutherford.....	13	3,392	8,258.89	23.52	11,872.56	20,131.45
Saint Pauls.....	Robeson.....	6	2,249	5,475.90	12.86	6,491.54	11,967.44
Salemburg.....	Sampson.....	3	569	1,385.41	4.88	2,463.35	3,848.76

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Salisbury.....	Rowan.....	9	21,297	\$ 51,854.24	94.38	\$ 47,611.67	\$ 99,465.91
Saluda.....	Polk.....	14	570	1,387.84	8.54	4,310.87	5,698.71
Sanford.....	Lee.....	8	12,253	29,833.78	47.08	23,765.31	53,599.09
Sartoga.....	Wilson.....	4	409	995.84	1.47	742.04	1,737.88
Scotland Neck.....	Halifax.....	4	2,974	7,241.14	13.66	6,895.37	14,136.51
Seaboard.....	Northampton.....	1	624	1,519.32	4.06	2,049.43	3,568.75
Seagrove.....	Randolph.....	8	323	786.45	2.69	1,357.87	2,144.32
Selma.....	Johnston.....	4	3,102	7,552.79	17.26	8,712.60	16,265.39
Seven Springs.....	Wayne.....	4	207	504.01	1.38	696.60	1,200.61
Severn.....	Northampton.....	1	310	754.79	1.81	913.66	1,668.45
Shallotte.....	Brunswick.....	3	480	1,168.71	5.97	3,013.57	4,182.28
Sharpsburg.....	Nash.....	4	490	1,193.06	4.68	2,362.40	3,555.46
Shelby.....	Cleveland.....	12	17,698	43,091.35	70.17	35,420.81	78,512.16
Siler City.....	Chatham.....	8	4,455	10,847.10	30.34	15,315.20	26,162.30
Sims.....	Wilson.....	4	205	499.14	1.07	540.12	1,039.26
Smithfield.....	Johnston.....	4	6,117	14,893.76	34.82	17,576.64	32,470.40
Snow Hill.....	Greene.....	2	1,043	2,539.51	4.57	2,306.87	4,846.38
Southern Pines.....	Moore.....	8	5,198	12,656.17	41.31	20,852.69	33,508.86
Southport.....	Brunswick.....	3	2,034	4,952.41	15.25	7,697.98	12,650.39
Sparta.....	Alleghany.....	11	1,047	2,549.25	9.90	4,997.38	7,546.63
Speed.....	Edgecombe.....	4	142	345.74	1.01	509.83	855.57
Spencer.....	Rowan.....	9	2,904	7,070.70	20.03	10,110.86	17,181.56
Spencer Mountain.....	Gaston.....	12	180	438.27	0.70	353.35	791.62
Spindale.....	Rutherford.....	13	4,082	9,938.91	25.38	12,811.46	22,750.37
Spray.....	Rockingham.....	7	4,565	11,114.93	23.00	11,610.07	22,725.00
Spring Hope.....	Nash.....	4	1,336	3,252.91	7.64	3,856.56	7,109.47
Spring Lake.....	Cumberland.....	6	4,110	10,007.09	11.86	5,986.76	15,993.85
Spruce Pine.....	Mitchell.....	13	2,504	6,096.78	16.70	8,429.92	14,526.70
Staley.....	Randolph.....	8	260	633.05	2.88	1,453.78	2,086.83
Stanfield.....	Stanly.....	10	471	1,146.80	3.16	1,595.12	2,741.92

EXHIBIT "G" Continued

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Stanley.....	Gaston.....	12	1,980	\$ 4,820.93	10.82	\$ 5,461.78	\$ 10,282.71
Stantonsburg.....	Wilson.....	4	897	2,184.03	3.58	1,807.13	3,991.16
Star.....	Montgomery.....	8	745	1,813.94	7.68	3,876.75	5,690.69
Statesville.....	Iredell.....	12	19,844	48,316.46	91.46	46,167.70	94,484.16
Stedman.....	Cumberland.....	6	458	1,115.14	3.86	1,948.47	3,063.61
Stem.....	Granville.....	5	221	538.09	1.77	893.47	1,431.56
Stoneville.....	Rockingham.....	7	951	2,315.51	6.65	3,356.83	5,672.34
Stovall.....	Granville.....	5	570	1,387.84	2.28	1,150.91	2,538.75
Sunset Beach.....	Brunswick.....	3	39	94.96	5.03	2,539.07	2,634.03
Surf City.....	Pender.....	3	264	642.79	3.78	1,908.09	2,550.88
Swansboro.....	Onslow.....	3	1,104	2,688.03	5.23	2,640.03	5,328.06
Sylvan.....	Jackson.....	14	1,564	3,808.05	10.30	5,300.25	9,108.30
Tabor City.....	Columbus.....	6	2,338	5,692.60	16.53	8,344.11	14,036.71
Tarboro.....	Edgecombe.....	4	8,411	20,479.22	36.94	18,646.78	39,126.00
Tar Heel.....	Bladen.....	6	77	187.48	2.27	1,145.86	1,333.34
Taylorsville.....	Alexander.....	12	1,470	3,579.18	8.67	4,376.49	7,955.67
Teachy.....	Duplin.....	3	187	455.31	1.58	797.56	1,252.87
Thomasville.....	Davidson.....	9	15,190	36,984.83	65.15	32,886.79	69,871.62
Topsail Beach.....	Pender.....	3	97	236.18	2.83	1,428.54	1,664.72
Trenton.....	Jones.....	2	404	983.67	2.06	1,039.86	2,023.53
Troutman.....	Iredell.....	12	648	1,577.76	5.30	2,675.36	4,253.12
Troy.....	Montgomery.....	8	2,346	5,712.07	15.70	7,925.13	13,637.20
Tryon.....	Polk.....	14	2,223	5,412.59	16.03	8,031.71	13,504.30
Turkey.....	Sampson.....	3	199	484.53	1.97	994.43	1,478.96
Valdese.....	Burke.....	13	2,941	7,180.79	22.94	11,579.78	18,740.57
Vanceboro.....	Craven.....	2	806	1,962.46	6.90	3,331.59	5,294.05
Vandemere.....	Pamlico.....	2	452	1,100.54	4.01	2,024.19	3,124.73
Vass.....	Moore.....	8	767	1,807.50	8.28	4,173.63	6,047.13
Waco.....	Cleveland.....	12	256	623.31	2.65	1,337.68	1,960.99
Wadesboro.....	Anson.....	10	3,714	9,115.95	22.21	11,211.29	20,327.24

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Wagram.....	Scotland.....	8	562	\$ 1,368.37	2.75	\$ 1,388.16	\$ 2,756.53
Wake Forest.....	Wake.....	5	2,664	6,486.35	12.38	6,249.25	12,735.60
Wallace.....	Duplin.....	3	2,285	5,563.55	25.60	12,922.51	18,486.06
Walnut Cove.....	Stokes.....	9	1,288	3,136.04	9.33	4,709.65	7,846.69
Walstonburg.....	Greene.....	2	191	465.05	1.70	858.14	1,323.19
Warrenton.....	Warren.....	5	1,124	2,736.73	5.10	2,574.41	5,311.14
Warsaw.....	Duplin.....	3	2,221	5,407.72	12.92	6,521.83	11,929.55
Washington.....	Beaufort.....	2	9,939	24,199.62	37.67	19,015.27	43,214.89
Washington Park.....	Beaufort.....	2	574	1,397.58	4.21	2,125.15	3,522.73
Waxhaw.....	Union.....	10	729	1,774.98	6.85	3,457.78	5,232.76
Waynesville.....	Haywood.....	14	6,159	14,996.02	36.01	18,177.33	33,173.35
Weaverville.....	Buncombe.....	13	1,041	2,534.64	6.82	3,442.64	5,977.28
Weldon.....	Halifax.....	4	2,165	5,271.37	11.09	5,598.07	10,869.44
Wendell.....	Wake.....	5	1,620	3,944.40	8.73	4,406.78	8,351.18
West Jefferson.....	Ashe.....	11	1,000	2,434.81	10.51	5,305.30	7,740.11
Whitakers.....	Nash.....	4	1,004	2,444.55	5.07	2,559.26	5,003.81
White Lake.....	Bladen.....	6	130	316.53	2.02	1,019.67	1,336.20
Whiteville.....	Columbus.....	6	4,683	11,402.24	24.04	12,135.05	23,537.29
Wilkesboro.....	Wilkes.....	11	1,568	3,817.79	16.76	8,460.21	12,278.00
Williamston.....	Martin.....	1	6,924	16,858.65	29.08	14,679.17	31,537.82
Wilmington.....	New Hanover.....	3	44,013	107,163.48	156.75	79,125.15	186,288.63
Wilson.....	Wilson.....	4	28,753	70,008.22	103.37	52,179.69	122,187.91
Windsor.....	Bertie.....	1	2,116	5,152.07	11.93	6,022.09	11,174.16
Winfall.....	Perquimans.....	1	269	654.96	1.84	928.81	1,583.77
Wingate.....	Union.....	10	1,304	3,175.00	6.50	3,281.11	6,456.11
Winston-Salem.....	Forsyth.....	9	111,135	270,593.09	437.38	220,783.14	491,376.23
Winterville.....	Pitt.....	2	1,418	3,452.57	6.58	3,321.49	6,774.06
Winton.....	Hertford.....	1	835	2,033.07	5.31	2,680.41	4,713.48
Woodland.....	Northampton.....	1	651	1,585.06	4.51	2,276.58	3,861.64
Woodville.....	Bertie.....	1	344	837.58	0.88	444.21	1,281.79

City or Town	County	Div.	Pop. 1960 Census	Population Increment	Certif. Non- System Miles	Mileage Increment	Total Allocation
Wrightsville Beach.....	New Hanover.....	3	723	\$ 1,760.37	8.86	\$ 4,472.40	\$ 6,232.77
Yadkinville.....	Yadkin.....	11	1,044	4,002.83	10.73	5,416.35	9,419.18
Yaupon Beach.....	Brunswick.....	3	89	216.70	8.20	4,139.24	4,355.94
Youngsville.....	Franklin.....	5	596	1,451.15	4.04	2,039.33	3,490.48
Zebulon.....	Wake.....	5	1,534	3,735.01	9.18	4,633.93	8,368.94
Totals.....			1,914,461	\$ 4,661,357.15	9,234.33	\$ 4,661,357.15	\$ 9,322,714.30
Qualified after allocations had been computed for other municipalities.							
Love Valley.....	Iredell.....	12	78	\$ 189.92	1.12	\$ 565.36	\$ 755.28
Macon.....	Warren.....	5	187	455.31	1.22	615.84	1,071.15
McDonald.....	Robeson.....	6	79	192.35	0.91	459.35	651.70
Revised Totals.....			1,914,805	\$ 4,662,194.73	9,237.58	\$ 4,662,997.70	\$ 9,325,192.43

N.C. STATE HIGHWAY COMMISSION
INSURANCE COVERAGE

June 30, 1967

EXHIBIT "H"

Company	Coverage	Premium		Maximum Liability
		(3 Years)	\$	
Hartford Accident and Indemnity Company Policy No. 2760998—Expires 10/1/67	Blanket Honesty Bond-----	(3 Years)	\$ 1,602.00	\$ 5,000.00
Hartford Accident and Indemnity Company Policy No. 22-MBO-100231—Expires 6/8/70	Money and Security Coverage at Sea Level----- Ferry Robbery and Burglary—Office Closed \$250.00; Office Open \$1,500.00; 2 Ticket Booths \$700.00	(3 Years)	281.00	1,500.00
Hartford Accident and Indemnity Company Policy No. 3701061-A—Expires 7/1/71	Honesty Bond—Controller-----	(4 Years)	910.00	75,000.00
Hartford Accident and Indemnity Company Bond No. 3794786—Expires 4/27/70	Depositor's Forgery Bond-----	(3 Years)	415.00	100,000.00
Great American Insurance Company Policy No. M7-82-39-57—Expires 4/15/68	Photo Equipment on Aero Commando Plane-----	(3 Years)	613.00	20,000.00
N. C. State Property Fire Insurance Fund (Self Insurance)—Expires 7/1/67	Fire Coverage—Contents and Miscellaneous Buildings--	(1 Year)	26,874.30	
Travelers Insurance Co. Policy No. TRSLA 928400-67—Expires 7/1/68--	Motor Vehicle Liability—Bodily Injury one person----- \$15,000; One Accident \$75,000, Property Damage \$15,000. One Bus Accident \$200,000	(1 Year)	350,467.50	
U. S. Aviation Underwriters Policy No. H8-48010—Expires 1/22/68--	Aircraft Hull-----	(1 Year)	510.00	50,000.00
Policy No. LA-678517—Expires 1/22/68--	Liability—Guest Passenger Coverage 100/600,000-----	(1 Year)	1,231.00	1,000,000.00
United States Fire Insurance Company Policy Nos. H-463, H-464, P11488-----	Silver Lake Ferry----- Pamlico Ferry----- Southport—Ft. Fisher Ferry----- Liability, Each Ferry-----	(1 Year)	34,227.12	500,000.00 500,000.00 400,000.00 1,000,000.00

APPENDIX "B"

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina

REPORT ON AUDIT

FISCAL YEAR ENDED JUNE 30, 1968

JOSEPH M. HUNT, *Chairman*

W. F. BABCOCK, *Administrator*

W. M. INGRAM, *Controller*

COMMISSIONERS

J. B. BRAME
GEORGE H. BROADRICK
W. B. GARRISON
THOMAS S. HARRINGTON
GEORGE L. HUNDLEY
B. C. LANGSTON
DON MATTHEWS, JR.

JOHN F. McNAIR, III
CARL MEARES
ASHLEY M. MURPHY
CARL RENFRO
W. CURTIS RUSS
RAYMOND SMITH
JAMES G. STIKELEATHER, JR.

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**DEPARTMENT OF STATE AUDITOR
BUREAU OF INSTITUTIONAL AND DEPARTMENTAL
AUDITING**

Raleigh, North Carolina

ADVISORY BUDGET COMMISSION

RALEIGH, NORTH CAROLINA

Gentlemen:

We have examined the books and records of the

NORTH CAROLINA STATE HIGHWAY COMMISSION

Raleigh, North Carolina

for the fiscal year ended June 30, 1968. Our audit included the following funds:

Current Fund

Equipment Fund

Debt Service Fund—Secondary Road Bonds

Debt Service Fund—Construction Bonds 1965

State Highway Bond Fund of 1965

The financial condition of these funds and results of operations, are set forth in the following comments, nine exhibits and thirty supporting schedules.

CURRENT FUND—EXHIBIT "A"

Cash in Banks \$19,800.00:

Cash in banks consists of accounts established in various banks throughout the state for the payment of miscellaneous emergency bills for \$25.00 or less. Reimbursement is made upon submission of paid invoices, bills or receipts. Schedule A-1 lists the persons responsible for disbursing these funds, their title, and location within the state.

Cash on Deposit — State Treasurer \$88,114,849.36:

On June 30, 1968 cash deposited with State Treasurer in the Current Fund amounted to \$88,114,849.36, as compared to \$67,089,757.47 on June 30, 1967, an increase of \$21,025,091.89.

Travel Advances to Employees \$28,141.66:

Employees who are assigned to work which takes them away from home, and requires constant travel, and where out of pocket expenditures would exceed that which would normally be expected to be financed from personal funds, are given advances. Schedule A-4 lists the employees who have received advances, the department in which they operate, the date and amount of the advance.

Accounts Receivable State Departments and Institutions \$587,057.73:

Accounts receivable due from state departments and institutions at June 30, 1968 amounted to \$587,057.73 of which \$292,355.94 represents accrual of Gasoline Tax Refund Due from the Department of Revenue, and \$12,188.19 represents a duplicate payment of N. C. Sales Tax for the month of April, 1968. The balance of \$282,513.60 represents charges for materials or services to other departments and institutions. These receivables were overstated at June 30, 1968 in the amount of \$30,440.12 and the income of the Equipment was also overstated by the same amount. Schedule A-5 lists in detail the accounts making up these receivables. During July 1968 \$127,350.00 was collected. The gasoline refund was received during the month of August, 1968.

Motor Vehicles Imprest Cash \$15,000.00:

This represents an advance to the State Treasurer's office for the purpose of expediting payment of refund claims on gasoline and motor vehicle collections.

Accounts Receivable Due From Utilities and Others \$113,252.74:

This represents balances of future installments due from utilities and other public service agencies as listed in Schedule A-6. These accounts arise from agreements entered into with the Highway Commission for participation in construction, drainage and watershed projects and other miscellaneous services.

Accounts Receivable Due From Cities and Towns \$2,292,727.25:

This account consists of balances due from municipalities resulting from contracts entered into with the Highway Commission for participation in the costs of construction projects, maintenance work performed, water lines and systems and other miscellaneous supplies or services. A list of these accounts and balances at June 30, 1968 is shown in Schedule A-7.

An analysis of these accounts as to due dates are as follows:

Date Due		Amount
Fiscal Year	1956-57	\$ 7,914.28
" "	1957-58	2,448.95
" "	1958-59	9,335.52
" "	1959-60	51,015.84
" "	1960-61	400.00
" "	1961-62	1,768.93
" "	1962-63	3,300.00
" "	1963-64	10,300.00
" "	1964-65	10,850.00
" "	1965-66	12,925.00
" "	1966-67	12,300.00
Past Due		122,558.52
" "	1967-68	207,378.14
" "	1968-69	793,703.07
" "	1969-70	468,562.56
" "	1970-71	291,987.50
" "	1971-72	227,265.30
" "	1972-73	55,796.66
" "	1973-74	27,000.00
" "	1974-75	22,341.32
" "	1975-76	14,202.66
" "	1976-77	7,000.00
Upon Completion		54,932.02
		<u>\$ 2,292,727.75</u>

Due From Bond Fund \$11,149,970.80:

The current fund made expenditures for the construction program being carried out under the State Highway Bond Act of 1965. This represents such expenditures made by the current fund for the Bond fund during the month of June, 1968.

Due From Federal Government \$14,240,993.00:

This account represents the amount due from the U. S. Bureau of Public Roads which is their share of Participation in Federal Aid Construction Projects let to contract, that have been earned and billed by the Highway Commission. Schedule A-8 lists this item by Federal Aid participation funds.

Other Receivables \$135,230.68:

Other Receivables are listed in Schedule A-9. A summary of these accounts showing the condition of the outstanding balances at June 30, 1968 is as follows:

Age	Amount
Less Than 30 Days	\$ 27,896.65
30-180 Days	29,800.15
180-270 Days	15,176.62
270-360 Days	18,938.93
More Than 1 Year	43,418.33
	<u>\$ 135,230.68</u>

During July, 1968 \$12,192.20 was collected.

Federal Aid Allocations \$109,057,813.33:

Schedule A-10 shows an analysis of these allocations of Federal Aid Participation Funds. This balance represents Federal aid apportionments that have not been let to contract, and also portions of apportionments allocated to projects that have been let to contract, some of which have been earned and temporarily suspended and some of which have not been earned and not yet billed.

Inventories — Stores — Completed Parts & Job Orders \$6,178,505.90:

Schedule A-11 shows an analysis of Inventories as to type and location and amounts. The item \$659,850.62 identified as Inventory-in-Transit represents outstanding purchase orders accrued at June 30, 1968. Completed Parts represents pieces of equipment which have not yet been assigned an equipment number, and also some accrued purchase commitments. Job orders are charges during June distributable to Federal Aid work orders in the subsequent month. The inventories were taken by management; we were not present at the time.

Test checks were made at the Central Garage in Raleigh of a group of inventory items and parts during November, 1968. No material discrepancies were found.

Undistributed Charges \$10,970.94:

This represents charges made to job orders and work orders unidentifiable at June 30, 1968, which were properly distributed during July, 1968.

Securities Held for Others \$400,000.00:

These are securities held in the safe deposit box at the Wachovia Bank and Trust Company which were received in lieu of performance bonds, required of contractors receiving contract awards. These securities were verified by inspection during our examination.

Advance Acquisition of Right-of-Way \$2,026,314.11:

This item represents investments in right-of-way purchased for proposed highway projects, the plans for which may not be developed until some time in the future.

Accounts Payable \$7,770,494.71:

On June 30, 1968, all outstanding purchase commitments, from unfilled purchase orders, including purchase of gasoline and oil, for which invoices had not been received, were accrued as listed below. No attempt was made to accrue any liabilities for amounts due contractors for road construction nor amounts due as a result of contracts with consultants.

Accrual of Unfilled Purchase Orders	\$ 7,660,878.01
Accrual of Gasoline and Oil Purchases	74,018.47
Connecticut General Life Ins. Co. — Group Insurance	35,598.23
	<hr/>
	\$ 7,770,494.71
	<hr/>

The purchase orders accrued at June 30, 1968 were tested by examination and mathematical accuracy determined. We found a number of errors in their calculations.

Due to Equipment Fund \$5,919,296.37:

The current fund was indebted to the Equipment Fund as indicated above at the close of the fiscal year. This liability to the Equipment Fund is the result of rental charges made by the Equipment Department, Depreciation charges and Sale of Equipment made for the Equipment Fund.

Allowance for Employees' Vacations, Sick Leave, Holidays, etc. \$5,125,141.22:

This balance represents accruals for employees' sick leave, holidays, and compensatory leave earned in excess of sick leave, annual leave, holidays, and compensatory leave taken since November 1, 1959.

On November 1, 1959, the practice of recording the contingent liability for these leave accounts, with the exception of compensatory leave, as they apply to the productive labor forces was initiated. At that time, it would have required approximately \$5,381,371.00 to record on the books this contingent liability which was represented by 451,694 days sick leave, reduced to an experience rate of 55.7551% and 136,564 days annual leave, both computed at an average salary rate of \$3,630.00.

Accrued Payroll \$1,361,765.62:

This amount represents the accrual of gross payroll for June 24, 25, 26, 27 and 28, 1968 of the pay period which ended July 5, 1968.

Accrued Taxes Payable \$49,452.62:

State Withholding Taxes totaling \$47,149.96 and North Carolina Sales Tax amounting to \$2,302.66 makes up the accrued taxes payable at June 30, 1968.

Special Deposits \$475,404.84:

Included in the above is \$400,000.00 contra to the item of Securities held for others shown under Other Assets. The remaining \$75,404.84 represents cash deposits received from purchasers of structures on right-of-way in lieu of performance bonds, and other miscellaneous deposits and are to be returned to the depositors upon satisfactory removal of structures from the right-of-way.

Enrollees' Advance Payment of Life Insurance Premiums \$3,569.54:

This represents advance payments of Connecticut General Life Insurance premiums on group permanent life insurance by retired employees and other employees temporarily off the payroll.

Credit Balances in Accounts Receivable \$159,059.01:

Details of the credit balances appearing in the accounts receivable on June 30, 1968 are listed in Schedule A-13. The balance shown for the city of Raleigh in the amount of \$30,000.00 is in error, and was not corrected by the Highway Commission until the month of October, 1968.

Accrued Reserve for Workmen's Compensation and Public Liability Claims \$290,778.72:

This total consists of Workmen's Compensation claims of \$257,991.50, and public liability claims amounting to \$32,787.22.

Undistributed Revenue:

This represents revenue collections deposited with the State Treasurer by the Department of Motor Vehicles. The report furnishing the distribution of this revenue was received and the funds properly distributed during the month of July, 1968.

Encumbrance Allotments \$158,382,131.15:

This balance is the unexpended portions of allotments approved by the Budget Division of the Department of Administration at June 30, 1968.

A summary of these unexpended allotments are shown in Schedule A-14.

Reserves \$43,489,983.15:

Funds reserved at June 30, 1968 are listed in detail in Schedule A-15.

Unappropriated Surplus \$11,327,806.43:

An analysis of the changes in unappropriated surplus are set forth in Schedule A-19.

GENERAL COMMENTS

An analysis of work order closings made during June 1968 by the Internal Audit Section disclosed the following conditions:

- (1) Work orders inactive in project control, with no notice of closing in work orders found in project control or finance department.
- (2) Notice of closing of work orders found in project control, but not found in finance department.
- (3) Notice of closing of work orders found in finance department but not found in project control.
- (4) Work orders active in project control, notice of closing of work order found in finance department.
- (5) Same situations found to some degree in work orders covering the 1965 bond program.

The observation was made that in many cases a closed work order is reopened in order to post a late charge and that one section would fail to reopen the work order.

The following recommendations were made:

- (1) That the finance department keep a file of some type indicating those work orders that are reopened and reclosed.
- (2) Transmittal notice of closing work orders from project control to finance department be made at set intervals during the month.
- (3) A separate notice of work order closing be used for each work order number, rather than showing a large number of work order closings on one notice.

We concur in each of these recommendations.

INACTIVITY IN WORK ORDERS

On September 30, 1968 a tabulation was made of all work orders in progress which had been inactive for a period in excess of three months; the results are as follows:

System	No. of Work Orders	Amount
Primary	134	\$ 1,543,674.91
Secondary	421	3,539,008.33
Urban	328	7,103,311.14
Public Service Roads	61	178,554.00
Capital Improvements	25	358,042.92
Federal Aid	391	495,218.16
Total	1,360	\$13,217,809.46

The number of months of inactivity varied from 4 months, to as high as 39 months. A number of these work orders showed overdrafts. The same situation was pointed out in our audit last year.

OVERDRAFTS IN WORK ORDERS

On September 30, 1968 a detail listing was prepared by the finance department showing 1,078 work orders having overdrafts amounting to \$12,548,968.71.

System	No. of Work Orders	Overdraft Amount
Primary	133	\$ 1,296,382.90
Secondary	383	2,450,063.04
Urban	222	2,599,565.54
Public Service Roads	40	370,229.66
Capital Improvements	14	15,300.86
Federal Aid	286	5,817,428.71
	<u>1,078</u>	<u>\$12,548,968.71</u>
Overdraft September 30, 1967		\$12,997,103.70
Overdraft September 30, 1966		10,028,865.16

These overdrafts should be reviewed, and appropriate action taken to substantially reduce the total amount.

FEDERAL AID EXCEPTIONS

Under the provisions of Current Billing and concurrent audit of Federal Aid charges, certain standards must be met before the Highway Commission is permitted to bill the Federal Government for reimbursement of Federal Aid Expenditures. If these standards are not met, the expenditures are placed under exception and payments suspended until such time as the cause of the exception is removed by appropriate action on the part of the Highway Commission.

The most common causes for exceptions are coded below:

2. Documentation needed
3. No Project Agreement
4. Agreement modification needed
5. Bureau of Public Roads Citation
9. Reversal of Contract Retents

The calculation of exceptions at September 30, 1968 and October 31, 1967 were as follows:

September 30, 1968 Code		October 31, 1967 Code	
2	\$ 2,183,945.40	2	\$ 1,728,355.21
3	6,699,093.88	3	8,122,907.99
4	4,562,762.16	4	3,018,690.85
Total	<u>\$13,445,801.44</u>	Total	<u>\$12,869,954.05</u>

The above reflects an increase of \$575,847.39 in Federal Aid Exceptions during the past eleven months.

CONTRACTORS' CLAIMS

Outstanding Claims December 14, 1967

\$ 1,704,428.38

Add New Claims:

Nello L. Teer 8.13438	\$ 3,456.09
A-32 Claussen-Lawrence Construction Co.	9,206.42
A-33 Blythe Bros. Co. 8.1416401	304,879.29
A-34 Ray D. Lowder 8.1161803	351,162.99
A-35 Nello L. Teer Co. 6.3820039	1,274.12
A-36 Ballenger Paving Co. 8.1900501	40,304.41

710,283.32

\$ 2,414,711.70

Less

	Amount Accepted	Amount of Claim Liquidated	
Bowers Construction Co.	\$ -0-	\$ 18,800.00	
C. A. Duncan F & M Construction Co.	7,250.00	22,600.00	
Adjustments to Prior Years		6.68	
Nelson Construction Co.	-0-	7,350.00	
W. B. Dillard Co.	23,250.00	40,700.00	
W. B. Dillard Co.	2,792.12	28,896.07	
	<u>\$ 33,292.12</u>	<u>\$ 118,352.75</u>	118,352.75

Outstanding Claims November 13, 1968

\$ 2,296,358.95

Claims filed with the Highway Administrator were reviewed and the schedule above was prepared from information submitted by management. Under the provisions of General Statutes 136.29 the claimant has six months in which to file suit if the Administrator does not approve the claim in its original form.

State Aid to Municipalities — (Powell Bill) Exhibit "H":

The July 1, 1967 allocation was the seventeenth distribution to cities and towns which began in 1951. These funds are provided from the six cents per gallon motor fuel tax levied by the state. The cities and towns receive one-half cent, or 1/12 of the six cent collections. The statutes require that the allocation be proportioned among the cities and towns on the basis of relative non-state system local street mileage and relative population. The latest certified Federal decennial census is used as the source of population data. Each municipality furnishes its own local street mileage data, along with other required data for certification purposes.

The seventeen annual allocations are shown below:

Year	Allocation	Number of Participating Municipalities
1951	\$ 4,543,096.20	386
1952	4,948,842.30	388
1953	5,244,203.40	394
1954	5,391,717.41	393
1955	5,711,978.98	399
1956	6,212,336.82	400
1957	6,477,032.18	405
1958	6,477,457.37	407
1959	6,768,363.70	409
1960	7,018,901.72	411
1961	7,356,135.97	415
1962	7,640,707.92	416
1963	8,078,232.00	419
1964	8,324,555.39	420
1965	8,776,008.98	422
1966	9,325,192.43	423
1967	9,959,054.78	424

This reflects the continued growth in statewide motor fuel consumption and the attendant traffic.

ACCOUNTING SCHEDULE

Net Revenue—Fiscal 1967 (Gross 6¢ Motor Fuel Tax less refunds).....	\$119,615,163.71
1/2¢ per gallon or 1/12th of the above figure.....	9,967,930.31
Less 1% temporarily withheld.....	99,679.30
	\$ 9,868,251.01
Plus 1% temporarily withheld last year (1966).....	93,281.90
Less allocation to Love Valley.....	755.28
Less allocation to Macon.....	1,071.15
Less allocation to McDonald.....	651.70
Amount of 1967 funds to be allocated.....	\$ 9,959,054.78

Half of the above total allocation, or \$4,979,527.39, is to be divided among all qualified municipalities on the basis of relative 1960 U. S. Census *Population*. The above half for population divided by 1,918,455 (i.e., the population of all eligible and qualified municipalities) provides a per capita rate of \$2.5956.

Half of the above total allocation, or \$4,979,527.39 is to be divided among all qualified municipalities on the basis of relative *mileage* of non-State System or local streets complying with the Act. This half divided by 9,383.84 miles (i.e., the total length of all such streets) provides a per mile rate of \$530.6492.

Furniture and Fixtures Charged to Capital Improvement Fund in Error:

During our examination we found that \$5,800.76 in furniture and fixtures was charged to Work Order 0.10289, Finance Code 7—Project Number 6.40056, which was an appropriation for the modification of the existing Highway building. This project made no provisions for expenditures for furniture and fixtures.

PRISON LABOR

The North Carolina State Highway Commission is under contract with the Prison Department through June 30, 1969 to pay the prison department \$4,800,000.00 a year for prison labor. The prison agrees to keep 2500 prisoners available each working day. This expenditure is charged 1/3 to primary highway maintenance and 2/3 to secondary highway maintenance.

Excessive Payroll Withholding Deductions:

The Highway Commission is operating on a bi-weekly payroll system using the percentage method for withholding Federal and State Income Taxes. It was noted that in many instances employees are paid for periods of time accumulated in excess of two weeks; however, this is not recognized in the deduction of income taxes as their computer programs apply only the bi-weekly withholding rates without regard to the additional time for which the employee is being paid. This results in withholding excessive amounts of both state and federal income taxes with the excesses increasing sharply with the increase of the length of time beyond the normal two weeks period. This method of withholding is not authorized by the Federal Internal Revenue Service or the N. C. Revenue Department.

EXHIBIT "E"

DEBT SERVICE FUND—SECONDARY ROAD BONDS

All payments for reduction of bonded indebtedness for secondary road bonds authorized and issued under Chapter 1250, Session Laws of 1949, were recorded

through the Debt Service—Secondary Road Bonds. The transactions in this fund during the fiscal year ended June 30, 1968 were as follows:

Cash on Hand July 1, 1967		\$37,132,687.50
Less: Expenditures (Schedule A-14)		
Retirement of Bonds	\$11,800,000.00	
Interest on Bonds	578,187.50	
		<u>12,378,187.50</u>
Cash on Hand June 30, 1968		<u>\$24,754,500.00</u>

EXHIBIT "F"

DEBT SERVICE FUND—HIGHWAY CONSTRUCTION BONDS OF 1965

All transactions relating to the bonded indebtedness for the Highway Construction Bonds of 1965 as authorized and issued under Chapter 46, Session Laws of 1965 are recorded through this fund. The activity in this fund during 1967-68 follows:

Cash on Hand July 1, 1967		\$12,112,450.06
Add:		
Revenue Collections — (Schedule A-16)		21,948,399.72
		<u>\$34,060,849.78</u>
Less — Expenditures (Schedule A-14):		
Retirement of Bonds	\$15,000,000.00	
Interest on Bonds	2,881,580.55	
Interest on Bond Anticipation Notes	1,200,000.00	
		<u>19,081,580.55</u>
Cash on Hand June 30, 1968		<u>\$14,979,269.23</u>

EXHIBIT "G"

STATE HIGHWAY BOND FUND 1965

Chapter 46 of the 1965 Session Laws authorizes the State Treasurer to issue and sell bonds of the state to be designated "State of North Carolina Highway Bonds" in an aggregate principal amount not to exceed \$300,000,000.00.

The Act appropriated the proceeds of the sale of these bonds to the State Highway Commission exclusively for the purpose of constructing, improving or relocating roads, bridges, tunnels, and other highway facilities constituting at the time of such construction, improvement or relocation, a part of the Highway System.

The Act was subject to a vote of the people of the State, and was approved by a majority of the qualified voters of the State of North Carolina at a special election held on November 2, 1965.

Bonds totaling \$120,000,000.00 had been issued at June 30, 1968 as shown in Schedules G-2 and G-3.

During the fiscal year \$15,000,000.00 of the bonds became due and were redeemed.

All construction or improvement in Highway facilities performed under the Bond Program during the fiscal year ended June 30, 1968, were financed by the use of cash from the Highway Current Fund, and the Current Fund was reimbursed monthly by the Bond Fund from cash borrowed by the issuance of bond

anticipation notes, from the sale of bonds, or from cash acquired from both sources.

The financial condition of this fund at June 30, 1968 is shown in Exhibit "G" and supporting Schedules G-1, G-2 and G-3, and the following comments:

Cash on Deposit - State Treasurer \$76,879,666.16 Exhibit "G":

The cash balance June 30, 1968 deposited with the State Treasurer was obtained from the sale of bonds and bond anticipation notes.

Accounts Receivable \$74,281.92 Exhibit "G":

This represents the balance due from municipalities \$56,818.67 and due from property owners \$17,463.25 as a result of agreements with the Highway Commission to participate in the cost of Highway Construction or improvements.

Bonds Authorized \$300,000,000.00—Exhibit "G"

Bonds Issued \$120,000,000.00—Exhibit "G"

Bonds Authorized and Unissued \$180,000,000.00—Exhibit "G"

The Bonds issued were sold in two installments. The first installment was dated February 1, 1967 for \$60,000,000.00 and the second \$60,000,000.00 was dated August 1, 1967.

The Bonds authorized and unissued will be sold by the State Treasurer at the time the market appears to be most favorable.

Due to Current Fund \$11,149,970.80 Exhibit "G":

This item results from expenditures made from the Current Fund Cash during the month of June, 1968, on the construction program being carried out under the State Highway Bond Act of 1965.

Bond Anticipation Notes Payable \$60,000,000.00 Exhibit "G":

This represents outstanding bond anticipation notes issued by the State Treasurer on January 31, 1968.

Unallotted Reserve - \$96,509,242.66 Exhibit "G":

The act authorized the issuance of bonds in the aggregate amount of \$300,000,000, which has been increased by \$224,661.97 resulting from agreements by cities and towns and property owners to participate in the cost of construction and improvements under the bond program in that amount at June 30, 1968. From this total amount of \$300,224,661.97, allotments have been made for \$203,715,419.31 to specific work orders at June 30, 1968, leaving an unallotted reserve of \$96,509,242.66.

Unexpended Allotments \$89,294,734.62 Exhibit "G":

The allotments made to specific work orders at June 30, 1968 \$203,715,419.31 has been charged with expenditures of \$114,420,684.69 leaving an unexpended allotment of \$89,294,734.62.

Chapter 46, Sec. 3, Session Laws 1965 authorizing the Highway Bonds of 1965 states that obligations by contract or work order for the construction, improving, or relocating of highway facilities under the provisions of this act (exclusive of obligations for engineering services and the acquisition of land) shall not be

incurred in an aggregate amount exceeding sixty million dollars in the first fiscal year, beginning July 1, 1965, or in an aggregate amount exceeding one hundred twenty million in the first two fiscal years, or in an aggregate amount exceeding one hundred eighty million dollars in the first three fiscal years which ended June 30, 1968.

Allotments had been approved during the first three fiscal years in the aggregate amount of \$203,715,419.31.

After inquiry we learned that the Budget Division of the Department of Administration was keeping figures on bond funds obligated. According to their analysis the funds obligated at June 30, 1968, after excluding engineering services and acquisition of land, amounted to \$161,100,000.00. Therefore, based on this analysis it appears that the funds obligated through the fiscal year ended June 30, 1968 are within the limits set by the General Assembly.

ENGINEERING CONSULTANTS CONTRACTS

During the fiscal year 1967-68 charges were made and disbursed for consultant fees in the amount of \$2,969,981.70. These vouchers were examined and recorded in a permanent file maintained by the State Auditors office. We did not establish the liability for unpaid consultants fees since we had no way to ascertain that all contracts were on file. The Highway Commission does not accrue this liability on its financial statement.

We wish to thank management and staff members for their assistance and cooperation during the course of our examination.

Respectfully submitted,

HENRY L. BRIDGES, *State Auditor*

Prepared by J. E. PEARCE

Approved:

M. L. WIDENHOUSE
C. P. A.

January 24, 1969

CURRENT FUND

Abstract

CASH:				
In Banks (Schedule A-1).....	\$	19,800.00		
On Deposit—State Treasurer (Schedule A-2).....		88,114,849.36		
			\$ 88,134,649.36	
ACCOUNTS RECEIVABLE:				
Travel advances to Employees (Schedule A-4).....	\$	28,141.96		
State Departments and Institutions (Schedule A-5).....		587,057.73		
Department of Motor Vehicles Imprest Fund.....		15,000.00		
Due from Utilities & Public Service Agencies (Schedule A-6).....		113,252.74		
Due from Cities and Towns (Schedule A-7).....		2,262,727.75		
Due from Bond Fund.....		11,149,670.80		
Due from Federal Government (Schedule A-8).....		14,240,493.00		
Other Receivables (Schedule A-9).....		135,230.65		
FEDERAL AID ALLOCATIONS (Schedule A-10).....			28,562,374.36	
			109,057,843.33	
INVENTORIES:				
Stores.....	\$	4,951,604.50		
Completed Parts—Equipment.....		1,196,230.05		
Job Orders in Progress.....		571.36		
(Schedule A-11).....			6,178,505.93	

EXHIBIT "A" Continued

ASSETS		LIABILITIES, ENCUMBRANCES, RESERVES AND SURPLUS	
OTHER DEBITS: Undistributed Charges..... Securities Held For Others..... Advance Acquisition of Right of Way.....	10,978.94 400,000.00 2,026,314.11	UNAPPROPRIATED SURPLUS: Balance 7-1-67..... Add: Transfer from Reserve for Highway Safety Program.... Less: Transfer to Appropriations..	\$ 3,636,474.66 1,615,969.00 \$ 5,252,443.66 4,563,476.00
	2,437,293.05	Add: Balance from Current Year's Operations..... Balance June 30, 1968 (Sch. A-19).....	\$ 688,967.66 10,638,838.77 11,327,806.43
TOTAL ASSETS.....	\$234,370,635.03	TOTAL LIABILITIES ENCUMBRANCES, RESERVES AND SURPLUS.....	\$234,370,635.03

FOOTNOTE: This Balance Sheet makes no provisions for amounts due contractors for construction, nor amount due or payable for Professional Consultant Fees at June 30, 1968.

SUMMARY STATEMENT OF REVENUE AND EXPENSE

FISCAL YEAR ENDED JUNE 30, 1968

EXHIBIT "B"

CURRENT FUND		
REVENUE:		
Current Fund Revenue.....	\$183,028,408.33	
Other Income.....	9,453,606.22	
Participation Revenue Federal Aid HPS/HPR/PR.....	943,292.81	
Federal Aid Participation—Construction.....	59,299,315.00	
Participation Revenues—Cities and Towns.....	1,064,201.59	
Participation Revenues—Property Owners.....	864,438.37	
Total Current Fund Revenues (Sch. A-16).....		\$254,653,262.32
EXPENDITURES:		
Current Fund Including Non Highway Departments.....	\$ 38,807,125.69	
State Aid to Municipalities.....	9,959,054.78	
State Maintenance and Construction—Primary System.....	33,118,020.28	
State Maintenance and Construction—Secondary Sys.....	58,084,447.39	
State Maintenance and Construction—Urban System.....	5,460,656.44	
State Maintenance and Construction—Public Service Roads.....	1,743,796.85	
Federal Aid HPS/HPR/PR.....	1,582,541.10	
Federal Aid Construction.....	85,098,862.77	
Capital Improvement Funds.....	2,443,069.31	
Total Current Fund Expenditures (Schedule A-14).....		236,297,574.61
EXCESS OF REVENUE OVER EXPENDITURES (SCHEDULE A-19).....		\$ 18,355,687.71

* Indicates Red Figures

ANALYSIS OF SOURCE AND DISPOSITION OF FUNDS For Fiscal Year Ended June 30, 1968

EXHIBIT "C"

Current and Debt Service Funds	Total	Current Funds	Debt Service Fund	
			Secondary Road Bonds	Construction Bonds of 1965
SOURCE OF FUNDS:				
SURPLUS AND RESERVE FUNDS BROUGHT FORWARD FROM PRIOR YEAR:				
Unappropriated Surplus.....	\$ 3,636,474.66	\$ 3,636,474.66		
Federal Participation HPS/HPR/PR.....	1,161,025.98	1,161,025.98		
Federal Aid Construction.....	31,187,838.54	31,187,838.54		
State Funds to Match Federal Participation HPS/HPR/PR.....	410,714.22	410,714.22		
Construction.....	552,915.15	552,915.15		
For State Aid to Municipalities.....	103,622.04	103,622.04		
FOR CAPITAL IMPROVEMENTS:				
Biennium 1961-63.....	7,820.58	7,820.58		
Biennium 1963-65.....	183,063.77	183,063.77		
Biennium 1965-67.....	61,905.85	61,905.85		
For Additional Salary Requirements.....	288,000.00	288,000.00		
For Highway Safety Program.....	2,957,969.00	2,957,969.00		
For Appropriations in excess of Revenue 67-69 Biennium.....	6,004,782.00	6,004,782.00		
FOR DEBT SERVICE:				
Secondary Road Bonds.....	37,132,687.50		\$ 37,132,687.50	\$ 12,112,450.06
Construction Bonds of 1965.....	12,112,450.06			
TOTAL FUNDS BROUGHT FORWARD FROM PRIOR YEAR.....	\$ 95,801,359.35	\$ 46,556,221.79	\$ 37,132,687.50	\$ 12,112,450.06
UNEXPENDED ALLOTMENTS BROUGHT FORWARD FROM PRIOR YEAR:				
FOR STATE MAINTENANCE AND CONSTRUCTION:				
Primary System.....	\$ 14,055,799.46	\$ 14,055,799.46		
Secondary System.....	28,646,876.17	28,646,876.17		
Urban System.....	10,184,288.34	10,184,288.34		
Public Service Roads.....	1,486,897.12	1,486,897.12		
For Federal Aid HPS/HPR/PR.....	428,036.05	428,036.05		
Federal Aid Construction.....	92,233,939.59	92,233,939.59		

EXHIBIT "C" Continued

Current and Debt Service Funds	Total	Current Funds	Debt Service Fund	
			Secondary Road Bonds	Construction Bonds of 1965
FOR CAPITAL IMPROVEMENT FUNDS:				
Biennium 1961-63.....	\$ 981.97	\$ 981.97		
Biennium 1963-65.....	138,861.54	138,861.54		
Biennium 1965-67.....	1,112,330.99	1,112,330.99		
TOTAL UNEXPENDED ALLOTMENTS BROUGHT FORWARD.....	\$148,288,011.23	\$148,288,011.23		
State Revenue Collections (Sch. A-16).....	\$192,482,014.55	\$192,482,014.55		
Debt Service Funds Construction Bonds of 1965.....	21,948,399.72			\$ 21,948,399.72
Total Participation Revenues (Schedule A-16).....	62,171,247.77	62,171,247.77		
Total Departmental Receipts (Schedule A-14).....	6,247,650.36	6,247,650.36		
TOTAL FUNDS AVAILABLE.....	\$282,849,312.40	\$280,900,912.68		\$ 21,948,399.72
	\$526,938,682.98	\$455,745,145.70	\$ 37,132,687.50	\$ 34,060,849.78
DISPOSITION OF FUNDS:				
EXPENDITURES: (Schedule A-14)				
For Departmental Operation Highway Commission				
General Administration.....	\$ 3,111,190.31	\$ 3,111,190.31		
Engineering Administration.....	7,214,387.27	7,214,387.27		
Contribution to Retirement System.....	7,211,066.80	7,211,066.80		
State Maintenance and Construction.....	185,696,107.47	185,696,107.47		
Capital Improvement Funds.....	2,466,710.45	2,466,710.45		
	\$205,699,462.30	\$205,699,462.30		

EXHIBIT "C" Continued

Current and Debt Service Funds	Total	Current Funds	Debt Service Fund	
			Secondary Road Bonds	Construction Bonds of 1965
NON HIGHWAY DEPARTMENTS:				
Department of Motor Vehicles.....	\$ 24,171,195.92	\$ 24,171,195.92		
Department of Agriculture.....	380,953.00	380,953.00		
State Board of Education.....	2,044,389.00	2,044,389.00		
Utilities Commission.....	192,581.51	192,581.51		
Highway Safety Program.....	97,588.46	97,588.46		
	\$ 26,886,707.89	\$ 26,886,707.89		
State Aid to Municipalities.....	\$ 9,959,054.78	\$ 9,959,054.78		
Debt Service Retirements.....	31,459,768.05		\$ 12,378,187.50	\$ 19,081,580.55
TOTAL EXPENDITURES.....	\$ 41,418,822.73	\$ 9,959,054.78	\$ 12,378,187.50	\$ 19,081,580.55
UNEXPENDED ALLOTMENTS CARRIED FORWARD (Schedule A-14).....	\$158,382,131.15	\$158,382,131.15		
TOTAL RESERVES CARRIED FORWARD (Schedule A-15).....	43,489,983.15	43,489,983.15		
For Debt Service.....	39,733,769.23		\$ 24,754,500.00	\$ 14,979,269.23
	\$241,605,883.53	\$201,872,114.30	\$ 24,754,500.00	\$ 14,979,269.23
To UNAPPROPRIATED SURPLUS:				
From Prior Years Operations.....	\$ 688,967.66	\$ 688,967.66		
From Current Years Operations.....	10,638,838.77	10,638,838.77		
	\$ 11,327,806.43	\$ 11,327,806.43		
TOTAL DISPOSITION OF FUNDS.....	\$526,938,682.98	\$455,745,145.70	\$ 37,132,687.50	\$ 34,060,849.78

BALANCE SHEET
June 30, 1968

EXHIBIT "D"

EQUIPMENT FUND	
ASSETS	
Due from Current Fund.....	\$ 5,919,296.37
EQUIPMENT:	
Investment in Equipment.....	\$ 62,097,453.88
Less: Accumulated Depreciation.....	33,158,382.07
	<u>28,939,071.81</u>
Net Book Value of Equipment.....	28,939,071.81
TOTAL ASSETS	<u><u>\$ 34,858,368.18</u></u>
INVESTMENT	
Investment in Equipment (Sch D-1).....	\$ 34,678,368.18
Equipment on Loan from Federal Government.....	180,000.00
TOTAL INVESTMENT AND OPERATING GAIN	<u><u>\$ 34,858,368.18</u></u>

BALANCE SHEET
June 30, 1968

EXHIBIT "E"

DEBT SERVICE FUND	
SECONDARY ROAD BONDS 1949	
ASSETS	
CASH:	
On Deposit with State Treasurer.....	\$ 24,754,500.00
TOTAL ASSETS	<u><u>\$ 24,754,500.00</u></u>
APPROPRIATIONS, RESERVES AND SURPLUS	
APPROPRIATIONS:	
APPROPRIATION 1967-68:	
For Retirement of Bonds.....	\$ 11,800,000.00
For Interest on Bonds.....	578,187.00
	<u>\$ 12,378,187.00</u>
LESS EXPENDITURES 1967-68	
For Retirement of Bonds.....	11,800,000.00
For Interest on Bonds.....	578,187.50
	<u>12,378,187.50</u>
	<u>\$ 50*</u>
UNAPPROPRIATED SURPLUS:	
Unappropriated Surplus—July 1, 1967.....	\$ 37,132,687.50
Less—Transfer to Debt Service Fund—Highway Const. Bonds 1965.....	<u>12,378,187.00</u>
	24,754,500.50
TOTAL APPROPRIATIONS, RESERVES AND SURPLUS	<u><u>\$24,754,500.00</u></u>

BALANCE SHEET
DEBT SERVICE FUND
HIGHWAY CONSTRUCTION BONDS OF 1965
June 30, 1968

EXHIBIT "F"

ASSETS

CASH:			
On Deposit with State Treasurer.....			\$ 14,979,269.23
TOTAL ASSETS.....			\$ 14,979,269.23

APPROPRIATIONS, RESERVES AND SURPLUS

CREDIT:			
Actual Debt Service Revenue Fiscal Year 1967-68.....		\$ 21,948,399.72	
Less—Estimated Debt Service Revenue Fiscal Year 1967-68.....		21,590,000.00	
Excess of Actual Debt Service Revenue over Estimated Debt Service Fund Revenue.....			\$ 358,399.72
APPROPRIATIONS:			
APPROPRIATIONS 1967-68:			
For Retirement of Bonds.....		\$ 15,000,000.00	
For Interest on Bonds.....		3,600,000.00	
For Interest on Bond Anticipation Note.....		1,200,000.00	
TOTAL APPROPRIATIONS.....		\$ 19,800,000.00	
LESS—EXPENDITURES 1967-68:			
For Interest on Bond Anticipation Note.....	\$ 1,200,000.00		
For Interest on 1965 Bonds.....	2,881,580.55		
For Bond Retirement.....	15,000,000.00	19,081,580.55	
TOTAL UNEXPENDED APPROPRIATIONS.....			718,419.45
Reserve—Reserve for Estimated Revenue in Excess of Appropriations.....			1,790,000.00
Unappropriated Surplus—July 1, 1967.....			12,112,450.06
TOTAL APPROPRIATIONS, RESERVES AND SURPLUS.....			\$ 14,979,269.23

BALANCE SHEET — 1965 BOND FUND

June 30, 1965

EXHIBIT "G"

ASSETS		LIABILITIES AND RESERVES	
CASH: On Deposit with State Treasurer.....		LIABILITIES:	
	\$ 76,879,666.16	Due Current Fund.....	\$ 11,149,970.80
ACCOUNTS RECEIVABLE: Cities and Towns Participation..... Property Owners Participation.....		Bond Anticipation Notes Payable.....	60,000,000.00
	\$ 56,818.67 17,463.25	RESERVES:	
BONDS: Bonds Authorized..... Bonds Issued.....		Reserve for Bond Fund Expenditures.....	\$300,000,000.00
	300,000,000.00 120,000,000.00	Reserve for Bond Fund Expenditures.....	224,661.97
Bonds Authorized and Unissued.....		Participation By Other Schedule.....	
		Deduct—Allotments (Schedule G-1).....	\$300,224,661.97
TOTAL ASSETS.....		Total Unallotted Reserves.....	203,715,419.31
		Total Allotments Above.....	203,715,419.31
		Deduct Expenditures (Schedule G-1).....	114,420,684.69
		Total Unexpended Allotments.....	
		TOTAL LIABILITIES AND RESERVES.....	89,294,734.62
			\$256,953,948.08

FOOTNOTE: The Reserve for Bond Fund Expenditures—Participation by other is understated \$540.00 at June 30, 1968. The credit was erroneously credited to Current Fund Accounts Receivables. Correction was made during October 1968.

SUMMARY OF FUNDS AVAILABLE, ALLOCATIONS, EXPENDITURES AND BALANCES
June 30, 1968

SCHEDULE G-1

System	Bond Funds Reserved	Participation By Others	Total Funds For Program	Prior Years Completed Work Orders	Balance Available	Work Order Allocations	Expenditures	Unallotted Funds	Unexpended Funds
Primary-----	\$150,000,000.00	\$ 17,463.25	\$150,017,463.25	\$ 196,389.91	\$149,821,073.34	\$ 91,298,446.91	\$ 46,379,704.75	\$ 58,522,626.43	\$103,441,308.59
Secondary-----	75,000,000.00	84,969.96	75,084,969.96	4,595,273.50	70,489,696.46	62,657,497.22	42,595,000.62	7,832,199.24	27,894,695.84
Urban-----	75,000,000.00	122,228.76	75,122,228.76	799,782.82	74,322,445.94	44,168,028.95	19,854,533.09	30,154,416.99	54,467,912.85
	\$300,000,000.00	\$ 224,661.97	\$300,224,661.97	\$ 5,591,446.23	\$294,633,215.74	\$198,123,973.08	\$108,829,238.46	\$ 96,509,242.66	\$185,803,977.28

\$108,270,178.88	\$ 39,035,896.73	Brought Forward 7-1-67
89,853,794.20	69,793,341.73	Current Year
5,591,446.23	5,591,446.23	Completed 7-1-67
\$203,715,419.31	\$114,420,684.69	Exhibit "G"

STATEMENT OF BONDED INDEBTEDNESS
CHAPTER 913 SESSION LAWS 1965
Dated February 1, 1967

SCHEDULE G-2

Year of Maturity	Principal Amount	Interest Rate	Bonds Retired as of June 30, 1968	Interest Paid Current Year	Bonds Outstanding
1968.....	\$ 15,000,000.00	4%	\$ 15,000,000.00	\$ 2,054,000.00	
1969.....	5,000,000.00	4%			
1970.....	2,000,000.00	3%			
1971.....	2,000,000.00	3%			
1972.....	2,000,000.00	3%			
1973.....	2,000,000.00	3.10%			
1974.....	2,000,000.00	3.10%			
1975.....	2,000,000.00	3.10%			
1976.....	2,000,000.00	3.10%			
1977.....	2,000,000.00	3.10%			
1978.....	2,000,000.00	3.10%			
1979.....	2,000,000.00	3.10%			
1980.....	2,000,000.00	3.20%			
1981.....	2,000,000.00	3.20%			
1982.....	2,000,000.00	3.20%			
1983.....	2,000,000.00	3.20%			
1984.....	3,000,000.00	3.20%			
1985.....	3,000,000.00	3.20%			
1986.....	3,000,000.00	3.20%			
1987.....	3,000,000.00	3.20%			
	<u>\$ 60,000,000.00</u>		<u>\$ 15,000,000.00</u>	<u>\$ 2,054,000.00</u>	<u>\$ 45,000,000.00</u>

STATEMENT OF BONDED INDEBTEDNESS
CHAPTER 913 SESSION LAWS 1965
Dated August 1, 1967

SCHEDULE G-3

Year of Maturity	Principal Amount	Interest Rate	Bonds Retired as of June 30, 1968	Interest Paid Current Year	Bonds Outstanding
1968.....	\$ 10,000.00	4%		\$ 1,126,500.00	
1969.....	5,000.00	4%			
1970.....	3,000.00	4%			
1971.....	3,000.00	4%			
1972.....	3,000.00	3.60%			
1973.....	3,000.00	3.50%			
1974.....	3,000.00	3.50%			
1975.....	3,000.00	3.50%			
1976.....	3,000.00	3.50%			
1977.....	3,000.00	3.60%			
1978.....	3,000.00	3.60%			
1979.....	2,000.00	3.60%			
1980.....	2,000.00	3.60%			
1981.....	2,000.00	3.75%			
1982.....	2,000.00	3.75%			
1983.....	2,000.00	3.75%			
1984.....	2,000.00	3.75%			
1985.....	2,000.00	3.75%			
1986.....	2,000.00	3.75%			
1987.....	2,000.00	3.75%			
	<u>\$ 60,000.00</u>		<u>None</u>	<u>\$ 1,126,500.00</u>	<u>\$ 60,000,000.00</u>

**STATE AID TO MUNICIPALITIES AUTHORIZED
UNDER G.S. 136-41 TO 136-41.3 KNOWN AS POWELL BILL
Allocation as of July 1, 1967**

EXHIBIT "H"

City or Town	County	Total Allocation
Aberdeen.....	Moore.....	\$ 9,158.29
Ahoskie.....	Hertford.....	24,970.80
Albemarle.....	Stanly.....	69,065.52
Alexander Mills.....	Rutherford.....	4,798.19
Andrews.....	Cherokee.....	9,407.06
Angier.....	Harnett.....	7,996.51
Ansonville.....	Anson.....	5,603.32
Apex.....	Wake.....	10,735.76
Arlington.....	Yadkin.....	4,715.30
Asheboro.....	Randolph.....	49,269.92
Asheville.....	Buncombe.....	331,565.71
Askewville.....	Bertie.....	1,148.23
Atkinson.....	Pender.....	2,795.03
Atlantic Beach.....	Carteret.....	4,214.27
Aulander.....	Bertie.....	5,527.95
Aurora.....	Beaufort.....	4,704.85
Autryville.....	Sampson.....	2,323.78
Ayden.....	Pitt.....	18,000.85
Bailey.....	Nash.....	4,493.87
Bakersville.....	Mitchell.....	2,479.36
Banner Elk.....	Avery.....	3,512.22
Bath.....	Beaufort.....	2,145.11
Battleboro.....	Nash.....	2,223.67
Bayboro.....	Pamlico.....	3,335.55
Bear Grass.....	Martin.....	559.21
Beaufort.....	Carteret.....	14,366.02
Belhaven.....	Beaufort.....	14,221.80
Belmont.....	Gaston.....	23,311.95
Benson.....	Johnston.....	13,833.57
Bessemer City.....	Gaston.....	26,956.22
Bethel.....	Pitt.....	8,367.58
Beaulaville.....	Duplin.....	7,792.38
Biltmore Forest.....	Buncombe.....	11,621.71
Biscoe.....	Montgomery.....	6,691.80
Black Creek.....	Wilson.....	1,712.04
Black Mountain.....	Buncombe.....	9,139.02
Bladenboro.....	Bladen.....	4,630.40
Blowing Rock.....	Watauga.....	11,466.14
Boiling Spring Lakes.....	Brunswick.....	28,066.04
Boiling Springs.....	Cleveland.....	7,403.92
Bolivia.....	Brunswick.....	1,020.52
Bolton.....	Columbus.....	4,620.87
Boone.....	Watauga.....	25,990.94
Boonville.....	Yadkin.....	4,025.73
Bostic.....	Rutherford.....	2,372.12
Brevard.....	Transylvania.....	20,640.82
Bridgeton.....	Craven.....	3,343.46
Broadway.....	Lee.....	3,990.15
Brookford.....	Catawba.....	3,494.45
Brunswick.....	Columbus.....	836.65
Bryson City.....	Swain.....	7,186.17
Bunn.....	Franklin.....	1,800.99
Burgaw.....	Pender.....	11,371.74

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Burlington	Alamance	\$ 165,428.84
Burnsville	Yancey	8,988.77
Calypso	Duplin	4,545.66
Cameron	Moore	1,988.68
Candor	Montgomery	4,181.82
Canton	Haywood	25,762.69
Cape Carterett	Carteret	6,228.27
Carolina Beach	New Hanover	14,189.82
Carrboro	Orange	9,704.53
Carthage	Moore	6,447.77
Cary	Wake	22,868.53
Castalia	Nash	1,255.51
Catawba	Catawba	3,260.97
Chadbourn	Columbus	13,410.89
Chapel Hill	Orange	57,293.65
Charlotte	Mecklenburg	906,078.56
Cherryville	Gaston	26,205.11
China Grove	Rowan	8,303.08
Chocowinity	Beaufort	2,306.72
Claremont	Catawba	4,044.03
Clarkton	Bladen	6,127.97
Clayton	Johnston	17,241.46
Cleveland	Rowan	3,393.75
Clinton	Sampson	38,431.95
Clyde	Haywood	3,754.93
Coats	Harnett	6,792.86
Colerain	Bertie	1,238.04
Columbia	Tyrrell	4,932.71
Columbus	Polk	5,203.66
Concord	Cabarrus	85,159.22
Conetoe	Edgecombe	1,453.46
Conover	Catawba	16,761.71
Conway	Northampton	3,379.21
Cornelius	Mecklenburg	8,566.34
Cove City	Craven	2,655.97
Creedmoor	Granville	5,983.78
Creswell	Washington	1,844.71
Crossnore	Avery	1,721.91
Dallas	Gaston	18,028.66
Danbury	Stokes	1,855.14
Davidson	Mecklenburg	12,308.65
Denton	Davidson	6,552.15
Dillsboro	Jackson	1,642.24
Dobson	Surry	4,948.67
Dover	Craven	2,862.47
Draper	Rockingham	17,762.18
Drexel	Burke	7,994.49
Dublin	Bladen	2,430.50
Dunn	Harnett	40,582.98
Durham	Durham	363,559.82
East Bend	Yadkin	3,455.34
East Laurinburg	Scotland	3,220.77
East Spencer	Rowan	12,528.16
Edenton	Chowan	20,194.20
Elizabeth City	Pasquotank	60,054.74
Elizabethtown	Bladen	8,982.07
Elkin	Surry	17,542.42

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Elk Park.....	Avery.....	\$ 3,051.24
Ellenboro.....	Rutherford.....	3,505.76
Ellerbe.....	Richmond.....	6,523.48
Elm City.....	Wilson.....	4,821.37
Elon College.....	Alamance.....	6,442.35
Emerald Isle.....	Carteret.....	6,207.79
Enfield.....	Halifax.....	16,761.33
Erwin.....	Harnett.....	16,563.38
Eureka.....	Wayne.....	1,354.90
Everetts.....	Martin.....	1,188.95
Fair Bluff.....	Columbus.....	9,502.92
Fairmont.....	Robeson.....	14,073.69
Faison.....	Duplin.....	5,374.23
Faith.....	Rowan.....	3,882.40
Falcon.....	Cumberland.....	1,665.95
Falkland.....	Pitt.....	389.91
Farmville.....	Pitt.....	21,905.59
Fayetteville.....	Cumberland.....	227,596.54
Forest City.....	Rutherford.....	35,690.25
Fountain.....	Pitt.....	3,017.33
Four Oaks.....	Johnston.....	6,357.32
Franklin.....	Macon.....	14,995.57
Franklinton.....	Franklin.....	8,246.61
Franklinville.....	Randolph.....	4,184.42
Fremont.....	Wayne.....	9,578.32
Fuquay-Varina.....	Wake.....	19,780.90
Garland.....	Sampson.....	6,840.20
Garner.....	Wake.....	18,716.03
Garysburg.....	Northampton.....	1,334.76
Gaston.....	Northampton.....	7,836.68
Gastonia.....	Gaston.....	197,470.53
Gatesville.....	Gates.....	2,133.22
Gibson.....	Scotland.....	3,651.17
Gibsonville.....	Guilford.....	10,350.94
Glen Alpine.....	Burke.....	4,080.83
Goldsboro.....	Wayne.....	131,377.08
Goldston.....	Chatham.....	3,077.43
Graham.....	Alamance.....	39,318.94
Granite Falls.....	Caldwell.....	15,942.16
Granite Quarry.....	Rowan.....	6,388.98
Greensboro.....	Guilford.....	588,123.10
Greenville.....	Pitt.....	113,594.12
Gritton.....	Pitt.....	8,433.45
Grimesland.....	Pitt.....	2,080.49
Grover.....	Cleveland.....	4,012.53
Halifax.....	Halifax.....	2,801.72
Hamilton.....	Martin.....	3,419.30
Hamlet.....	Richmond.....	27,283.56
Harmony.....	Iredell.....	1,658.29
Harrellsville.....	Hertford.....	730.40
Hassell.....	Martin.....	1,278.35
Havelock.....	Craven.....	10,156.98
Hayesville.....	Clay.....	2,755.92
Hazelwood.....	Haywood.....	9,369.07
Henderson.....	Vance.....	66,318.33
Hendersonville.....	Henderson.....	36,658.73
Hertford.....	Perquimans.....	9,543.90

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Hickory	Catawba	\$ 106,140.49
Highlands	Macon	8,389.64
High Point	Guilford	287,528.05
Hillsborough	Orange	8,271.99
Hobgood	Halifax	3,725.98
Hoffman	Richmond	7,849.69
Holly Ridge	Onslow	4,184.48
Holly Springs	Wake	3,379.90
Hookerton	Greene	2,091.34
Hope Mills	Cumberland	8,927.91
Hot Springs	Madison	5,877.71
Hudson	Caldwell	10,370.54
Huntersville	Mecklenburg	7,721.44
Indian Trail	Union	1,735.47
Jackson	Northampton	4,039.24
Jacksonville	Onslow	62,520.69
Jamestown	Guilford	5,964.24
Jamesville	Martin	2,967.15
Jefferson	Ashe	7,191.12
Jonesville	Yadkin	10,161.46
Kelford	Bertie	2,377.66
Kenansville	Duplin	4,866.76
Kenly	Johnston	6,643.93
Kernersville	Forsyth	16,381.33
Kill Devil Hills	Dare	11,223.70
Kings Mountain	Cleveland	43,810.38
Kinston	Lenoir	105,354.29
Kittrell	Vance	1,136.58
Knightdale	Wake	3,795.43
Kure Beach	New Hanover	4,575.88
La Grange	Lenoir	11,102.91
Lake Lure	Rutherford	10,310.34
Lake Waccamaw	Columbus	5,325.20
Landis	Rowan	11,516.92
Lansing	Ashe	1,432.64
Lasker	Northampton	712.17
Lattimore	Cleveland	1,707.14
Laurel Park	Henderson	18,381.29
Laurinburg	Scotland	39,137.78
Lawndale	Cleveland	4,482.10
Leaksville	Rockingham	34,734.56
Lenoir	Caldwell	48,814.74
Lewiston	Bertie	1,847.13
Lexington	Davidson	87,215.67
Liberty	Randolph	11,893.85
Lilesville	Anson	3,861.01
Lillington	Harnett	9,740.10
Lincolnton	Lincoln	30,775.44
Linden	Cumberland	1,023.06
Littleton	Warren	5,820.56
Long Beach	Brunswick	40,710.83
Long View	Catawba	17,818.87
Louisburg	Franklin	13,897.20
Love Valley	Iredell	796.79
Lowell	Gaston	14,469.49
Lucama	Wilson	2,518.41
Lumber Bridge	Robeson	1,092.68

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Lumberton.....	Robeson.....	\$ 79,725.88
Macclesfield.....	Edgecombe.....	2,718.84
Macon.....	Warren.....	1,132.77
Madison.....	Rockingham.....	12,731.47
Magnolia.....	Duplin.....	4,376.09
Maiden.....	Catawba.....	12,652.51
Manteo.....	Dare.....	3,004.12
Marion.....	McDowell.....	15,559.47
Marshall.....	Madison.....	5,661.71
Mars Hill.....	Madison.....	6,064.78
Marshville.....	Union.....	7,127.81
Matthews.....	Mecklenburg.....	2,949.80
Maxton.....	Robeson.....	10,265.06
Mayodan.....	Rockingham.....	10,529.64
Maysville.....	Jones.....	6,634.75
McAdenville.....	Gaston.....	4,026.95
McDonald.....	Robeson.....	687.94
McFarlan.....	Anson.....	922.01
Mebane.....	Alamance.....	13,246.68
Micro.....	Johnston.....	2,298.76
Middleburg.....	Vance.....	1,444.18
Middlesex.....	Nash.....	4,290.89
Milton.....	Caswell.....	1,570.44
Mocksville.....	Davie.....	15,031.45
Monroe.....	Union.....	72,448.32
Mooresville.....	Iredell.....	37,654.01
Morehead City.....	Carteret.....	25,120.09
Morganton.....	Burke.....	52,243.46
Morrisville.....	Wake.....	1,260.76
Morven.....	Anson.....	3,477.73
Mount Airy.....	Surry.....	33,828.09
Mount Gilead.....	Montgomery.....	7,891.53
Mount Holly.....	Gaston.....	22,943.36
Mount Olive.....	Wayne.....	24,859.47
Mount Pleasant.....	Cabarrus.....	6,512.07
Murfreesboro.....	Hertford.....	13,647.15
Murphy.....	Cherokee.....	12,996.75
Nags Head.....	Dare.....	4,845.31
Nashville.....	Nash.....	8,411.00
New Bern.....	Craven.....	70,044.32
Newland.....	Avery.....	3,655.49
New London.....	Stanly.....	2,271.59
Newport.....	Carteret.....	7,143.32
Newton.....	Catawba.....	41,993.78
Newton Grove.....	Sampson.....	2,718.61
Norlina.....	Warren.....	6,582.32
North Wilkesboro.....	Wilkes.....	25,311.44
Norwood.....	Stanly.....	9,991.94
Oakboro.....	Stanly.....	4,861.74
Oak City.....	Martin.....	3,315.30
Ocean Isle Beach.....	Brunswick.....	4,619.02
Old Fort.....	McDowell.....	4,409.43
Oriental.....	Pamlico.....	4,246.94
Oxford.....	Granville.....	33,729.05
Pantego.....	Beaufort.....	1,040.88
Parkton.....	Robeson.....	4,888.11
Parmele.....	Martin.....	2,175.62

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Peachland	Anson	\$ 4,125.18
Pembroke	Robeson	8,756.21
Pikesville	Wayne	3,193.43
Pilot Mountain	Surry	7,862.99
Pinebluff	Moore	5,518.59
Pine Level	Johnston	4,571.28
Pinetops	Edgecombe	8,586.40
Pineville	Mecklenburg	6,747.48
Pink Hill	Lenoir	4,025.16
Pittsboro	Chatham	7,605.79
Plymouth	Washington	22,182.75
Polkton	Anson	5,700.45
Pollocksville	Jones	2,708.86
Powellsville	Bertie	1,309.04
Princeton	Johnston	4,981.20
Princeville	Edgecombe	3,506.75
Proctorville	Robeson	1,294.56
Raeford	Hoke	16,364.03
Raleigh	Wake	428,626.42
Ramseur	Randolph	7,510.44
Randleman	Randolph	13,174.69
Ranlo	Gaston	7,784.85
Red Springs	Robeson	15,136.44
Reidsville	Rockingham	68,329.01
Rhodhiss	Caldwell	4,799.22
Richfield	Stanly	2,442.67
Richlands	Onslow	5,825.34
Rich Square	Northampton	6,217.51
Roanoke Rapids	Halifax	78,564.11
Robbins	Moore	7,752.48
Robbinsville	Graham	3,189.85
Robersonville	Martin	12,882.59
Rockingham	Richmond	29,117.33
Rockwell	Rowan	5,984.13
Rocky Mount	Nash-Edgecombe	154,526.28
Rolesville	Wake	1,815.40
Ronda	Wilkes	4,412.13
Roper	Washington	4,627.91
Roseboro	Sampson	8,974.81
Rose Hill	Duplin	9,455.98
Rosman	Transylvania	1,761.48
Rowland	Robeson	10,839.58
Roxboro	Person	23,871.68
Roxobel	Bertie	2,404.32
Ruth	Rutherford	2,222.11
Rutherfordton	Rutherford	21,285.12
Saint Pauls	Robeson	12,656.33
Salemburg	Sampson	4,066.46
Salisbury	Rowan	105,854.51
Saluda	Polk	5,814.89
Sanford	Lee	60,862.14
Saratoga	Wilson	1,804.51
Scotland Neck	Halifax	15,392.48
Seaboard	Northampton	3,774.08
Seagrove	Randolph	2,265.83
Selma	Johnston	17,210.53
Seven Springs	Wayne	1,269.59

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Severn.....	Northampton.....	\$ 1,818.17
Shallotte.....	Brunswick.....	4,689.79
Sharpsburg.....	Nash.....	3,675.68
Shelby.....	Cleveland.....	84,568.06
Siler City.....	Chatham.....	27,541.21
Sims.....	Wilson.....	1,099.89
Smithfield.....	Johnston.....	34,354.45
Snow Hill.....	Greene.....	5,132.27
Southern Pines.....	Moore.....	34,749.70
Southport.....	Brunswick.....	13,371.84
Sparta.....	Alleghany.....	8,422.07
Speed.....	Edgecombe.....	904.53
Spencer.....	Rowan.....	18,378.76
Spencer Mountain.....	Gaston.....	828.05
Spindale.....	Rutherford.....	24,105.54
Spray.....	Rockingham.....	24,059.12
Spring Hope.....	Nash.....	7,537.79
Spring Lake.....	Cumberland.....	16,961.38
Spruce Pine.....	Mitchell.....	15,536.32
Staley.....	Randolph.....	2,203.12
Stanfield.....	Stanley.....	2,899.37
Stanley.....	Gaston.....	11,103.77
Stantonsburg.....	Wilson.....	4,227.97
Star.....	Montgomery.....	6,072.78
Statesville.....	Iredell.....	100,374.43
Stedman.....	Cumberland.....	3,237.09
Stem.....	Granville.....	1,512.88
Stoneville.....	Rockingham.....	6,044.99
Stovall.....	Granville.....	2,689.37
Sunset Beach.....	Brunswick.....	3,741.48
Surf City.....	Pender.....	3,004.18
Swansboro.....	Onslow.....	5,640.82
Sylva.....	Jackson.....	9,472.13
Tabor City.....	Columbus.....	14,909.11
Tarboro.....	Edgecombe.....	43,598.76
Tar Heel.....	Bladen.....	1,404.43
Taylorsville.....	Alexander.....	8,416.25
Teachey.....	Duplin.....	1,451.16
Thomasville.....	Davidson.....	74,099.67
Topsail Beach.....	Pender.....	1,753.51
Trenton.....	Jones.....	2,141.76
Troutman.....	Iredell.....	4,494.38
Troy.....	Montgomery.....	14,420.45
Tryon.....	Polk.....	14,462.03
Turkey.....	Sampson.....	1,561.90
Valdese.....	Burke.....	19,806.73
Vanceboro.....	Craven.....	5,716.38
Vandemere.....	Pamlico.....	3,301.11
Vass.....	Moore.....	6,384.60
Waco.....	Cleveland.....	2,129.06
Wadesboro.....	Anson.....	21,599.14
Wagram.....	Scotland.....	2,918.01
Wake Forest.....	Wake.....	13,473.48
Wallace.....	Duplin.....	19,722.50
Walnut Cove.....	Stokes.....	8,294.08
Walstonburg.....	Greene.....	1,397.86
Warrenton.....	Warren.....	5,719.28

EXHIBIT "H" Continued

City or Town	County	Total Allocation
Warsaw.....	Duplin.....	\$ 12,488.14
Washington.....	Beaufort.....	45,887.97
Washington Park.....	Beaufort.....	3,723.90
Waxhaw.....	Union.....	5,601.43
Waynesville.....	Haywood.....	35,179.84
Weaverville.....	Buncombe.....	6,427.17
Weldon.....	Halifax.....	11,594.57
Wendell.....	Wake.....	8,869.27
West Jefferson.....	Ashe.....	8,199.25
Whitakers.....	Nash.....	5,322.90
White Lake.....	Bladen.....	1,536.70
Whiteville.....	Columbus.....	25,835.30
Wilkesboro.....	Wilkes.....	13,122.77
Williamston.....	Martin.....	33,190.90
Wilmington.....	New Hanover.....	197,673.79
Wilson.....	Wilson.....	129,420.60
Windsor.....	Bertie.....	12,035.17
Winfall.....	Perquimans.....	1,727.68
Wingate.....	Union.....	6,833.87
Winston-Salem.....	Forsyth.....	521,522.31
Winterville.....	Pitt.....	7,288.96
Winton.....	Hertford.....	4,985.07
Woodland.....	Northampton.....	4,295.22
Woodyville.....	Bertie.....	1,354.54
Wrightsville Beach.....	New Hanover.....	6,832.87
Yadkinville.....	Yadkin.....	10,067.16
Yaupon Beach.....	Brunswick.....	4,582.33
Youngsville.....	Franklin.....	3,690.79
Zebulon.....	Wake.....	8,879.53
TOTALS.....		\$ 9,959,054.78

NORTH CAROLINA STATE HIGHWAY COMMISSION
Raleigh, North Carolina
Insurance Coverage

June 30, 1968

EXHIBIT "I"

Company	Coverage	Term	Premium	Maximum Liability
Hartford Accident and Indemnity Co. Policy No. 2760996—Expires 10-1-70.....	Blanket Honesty Bond.....	3 Yrs.	\$ 1,602.00	\$ 5,000.00
Hartford Accident and Indemnity Co. Policy No. 22-MBO-100231—Expires 6-8-70.....	Money and Security Coverage at Sea Level Ferry and Burglary—Office closed \$250.00, Office open \$1,500.00 Ticket Booths \$700.00.....	3 Yrs.	281.00	1,500.00
Hartford Accident and Indemnity Co. Policy No. 3794786—Expires 4-27-70.....	Depositors Forgery Bond.....	3 Yrs.	415.00	100,000.00
Great American Insurance Co. Policy No. M7-82-39-57—Expires 4-15-71.....	Photo Equipment on Airplane.....	3 Yrs.	613.00	20,000.00
N. C. State Property Fire Insurance Fund (Self-Insurance) Expires 7-1-68.....	Fire Coverage—Contents & Misc. Bldgs.....	1 Yr.	26,874.30	
Travelers Insurance Co. Policy No. TRSLA-928400-67—Expires 7-4-68.....	Motor Vehicle Liability—Bodily Injury One Person \$15,000.00, One Accident \$75,000.00, Property Damage \$15,000.00, One Bus Accident \$200,000.00.....	1 Yr.	350,467.50	
U. S. Aviation Underwriters Policy No. H8-48910—Expires 1-22-69. Policy No. LA-678517—Expires 1-22-69.....	Aircraft Hull..... Liability—Guest Passenger 100/600,000.00.....	1 Yr. 1 Yr.	510.00 1,231.00	50,000.00 1,000,000.00
United States Fire Insurance Co. Policies No. H-464, No. H-463, No. P11488.....	Silver Lake Ferry..... Pamlico Ferry..... Southport Ferry..... Liability each Ferry.....	1 Yr.	34,227.12	500,000.00 500,000.00 400,000.00 1,000,000.00

PUBLIC LIBRARY OF
CHARLOTTE AND MECKLENBURG COUNTY
CHARLOTTE, N. C.

STATE LIBRARY OF NORTH CAROLINA



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